

FEDERAL REGISTER

VOLUME 14

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TITLE 6—AGRICULTURAL CREDIT

Chapter I—Farm Credit Administration, Department of Agriculture

PART 52—PARTICULAR PRODUCTION CREDIT ASSOCIATIONS

STORAGE FACILITY LOANS GUARANTEED BY COMMODITY CREDIT CORPORATION

Part 52 of Title 6, Code of Federal Regulations, is amended by adding thereto new § 52.2 reading as follows:

§ 52.2 *Loans guaranteed by Commodity Credit Corporation.* Upon authorization by its board of directors, an association in the First, Second, Third, Fourth, or Eighth Farm Credit Districts may make loans to its members to finance the purchase or construction of storage facilities under agreements whereby the Commodity Credit Corporation will guarantee payment of such loans. Notwithstanding the regulations governing other loans made by the associations, loans so guaranteed may be made at such rates of interest, with such maturities, and upon such other terms and conditions as the Commodity Credit Corporation may prescribe.

(Sec. 23, 48 Stat. 261; 12 U. S. C. 1131g)

Promulgated by the Production Credit Corporations of Springfield, Baltimore, Columbia, Louisville, and Omaha with the approval of the Governor of the Farm Credit Administration.

[SEAL] T. F. MURPHY,
Acting Governor.

NOVEMBER 10, 1949.

[F. R. Doc. 49-9261; Filed, Nov. 16, 1949; 8:52 a. m.]

Chapter III—Farmers Home Administration, Department of Agriculture

Subchapter B—Farm Ownership Loans

PART 311—BASIC REGULATIONS

SUBPART B—LOAN LIMITATIONS

FLORIDA; AVERAGE VALUES OF FARMS AND INVESTMENT LIMITS

For the purposes of title I of the Bankhead-Jones Farm Tenant Act, as amended, the average value of efficient family-type farm-management units and the

investment limit for the county identified below are determined to be as herein set forth. The average value and the investment limit heretofore established for said county, which appear in the tabulations of average values and investment limits under § 311.30, Chapter III, Title 6 of the Code of Federal Regulations (13 F. R. 9381), are hereby superseded by the average value and the investment limit set forth below for said county.

FLORIDA

County	Average value	Investment limit
Sumter.....	\$7,000	\$7,000

(Sec. 41 (i), 60 Stat. 1066; 7 U. S. C. 1015 (i). Applies secs. 3 (a), 44 (b), 60 Stat. 1074, 1069; 7 U. S. C. 1003 (a), 1018 (b).)

Issued this 10th day of November 1949.

[SEAL] K. T. HUTCHINSON,
Acting Secretary of Agriculture.

[F. R. Doc. 49-9241; Filed, Nov. 16, 1949; 8:47 a. m.]

PART 311—BASIC REGULATIONS

SUBPART B—LOAN LIMITATIONS

FLORIDA; AVERAGE VALUES OF FARMS AND INVESTMENT LIMITS

For the purposes of title I of the Bankhead-Jones Farm Tenant Act, as amended, average values of efficient family-type farm-management units and investment limits for the counties identified below are determined to be as herein set forth; and § 311.30, Chapter III, Title 6 of the Code of Federal Regulations (13 F. R. 9381), is amended by adding said counties, average values, and investment limits to the tabulations appearing in said section under the State of Florida.

FLORIDA

County	Average value	Investment limit
Gulf.....	\$6,500	\$6,500
Highlands.....	9,000	9,000
Pinellas.....	9,500	9,500

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(Sec. 41 (i), 60 Stat. 1066; 7 U. S. C. 1015 (i). Applies secs. 3 (a), 44 (b), 60 Stat. 1074, 1069; 7 U. S. C. 1003 (a), 1018 (b))

Issued this 10th day of November 1949.

[SEAL] K. T. HUTCHINSON,
Acting Secretary of Agriculture.

[F. R. Doc. 49-9243; Filed, Nov. 16, 1949; 8:47 a. m.]

PART 311—BASIC REGULATIONS

SUBPART B—LOAN LIMITATIONS

CALIFORNIA; AVERAGE VALUES OF FARMS AND INVESTMENT LIMITS

For the purposes of title I of the Bankhead-Jones Farm Tenant Act, as amended, the average value of efficient family-type farm-management units and the investment limit for the county identified below are determined to be as herein set forth; and § 311.30, Chapter III, Title 6 of the Code of Federal Regulations (13 F. R. 9381), is amended by adding said county, average value, and investment limit to the tabulations appearing in said section under the State of California.

CALIFORNIA		
County	Average value	Investment limit
Marin	\$20,000	\$12,000

(Sec. 41 (i), 60 Stat. 1066; 7 U. S. C. 1015 (i). Applies secs. 3 (a), 44 (b), 60 Stat. 1074, 1069; 7 U. S. C. 1003 (a), 1018 (b))

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Acting Secretary of Agriculture.

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PART 311—BASIC REGULATIONS

SUBPART B—LOAN LIMITATIONS

PENNSYLVANIA; AVERAGE VALUES OF FARMS AND INVESTMENT LIMITS

For the purposes of title I of the Bankhead-Jones Farm Tenant Act, as amended, average values of efficient family-type farm-management units and investment limits for the counties identified below are determined to be as herein set forth. The average values and investment limits heretofore established for said counties, which appear in the tabulations of average values and investment limits under § 311.30, Chapter III, Title 6 of the Code of Federal Regulations (13 F. R. 9381), are hereby superseded by the average values and investment limits set forth below for said counties.

PENNSYLVANIA

County	Average value	Investment limit
Clinton	\$8,000	\$8,000
Lycoming	8,000	8,000
Toga	6,700	6,700
Westmoreland	11,000	11,000

(Sec. 41 (1), 60 Stat. 1066; 7 U. S. C. 1015 (1). Applies secs. 3 (a), 44 (b), 60 Stat. 1074, 1069; 7 U. S. C. 1003 (a), 1018 (b))

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Acting Secretary of Agriculture.

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PART 311—BASIC REGULATIONS

SUBPART B—LOAN LIMITATIONS

NORTH DAKOTA; AVERAGE VALUES OF FARMS AND INVESTMENT LIMITS

For the purposes of title I of the Bankhead-Jones Farm Tenant Act, as amended, average values of efficient family-type farm-management units and investment limits for the counties identified below are determined to be as herein set forth. The average values and investment limits heretofore established for said counties, which appear in the tabulations of average values and investment limits under § 311.30, Chapter III, Title 6 of the Code of Federal Regulations (13 F. R. 9381), are hereby superseded by the average values and investment limits set forth below for said counties.

NORTH DAKOTA

County	Average value	Investment limit
Adams	\$13,000	\$12,000
Barnes	13,500	12,000
Benson	14,000	12,000
Bottineau	15,000	12,000
Bowman	13,000	12,000
Burke	12,000	12,000
Burleigh	12,000	12,000
Cass	15,000	12,000
Cavalier	15,000	12,000
Divide	12,000	12,000
Dunn	12,000	12,000
Eddy	12,000	12,000
Emmons	10,500	10,500
Foster	12,000	12,000
Golden Valley	15,000	12,000
Grand Forks	15,000	12,000
Grant	12,000	12,000
Griggs	13,500	12,000
Hettinger	13,000	12,000
Kidder	11,000	11,000
Logan	12,000	12,000
McHenry	14,000	12,000
McIntosh	12,000	12,000
McKenzie	16,000	12,000
McLean	12,000	12,000
Mercer	12,000	12,000
Morton	12,000	12,000
Mountrail	12,000	12,000
Nelson	12,000	12,000
Oliver	12,000	12,000
Pembina	16,000	12,000
Pierce	14,000	12,000
Ramsey	14,000	12,000
Renville	13,000	12,000
Richland	14,000	12,000
Rolette	15,000	12,000
Sargent	12,000	12,000
Sheridan	10,000	10,000
Siox	11,500	11,500
Slope	13,000	12,000
Stark	12,000	12,000
Steele	13,000	12,000
Stutsman	12,000	12,000
Towner	15,000	12,000
Walsh	16,000	12,000
Ward	14,500	12,000

(Sec. 41 (1), 60 Stat. 1066; 7 U. S. C. 1015 (1). Applies secs. 3 (a), 44 (b), 60 Stat. 1074, 1069; 7 U. S. C. 1003 (a), 1018 (b))

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PART 311—BASIC REGULATIONS

SUBPART B—LOAN LIMITATIONS

TEXAS; AVERAGE VALUES OF FARMS AND INVESTMENT LIMITS

For the purposes of title I of the Bankhead-Jones Farm Tenant Act, as amended, the average value of efficient family-type farm-management units and the investment limit for the county identified below are determined to be as herein set forth. The average value and the investment limit heretofore established for said county, which appear in the tabulations of average values and investment limits under § 311.30, Chapter III, Title 6 of the Code of Federal Regulations (13 F. R. 9381), are hereby superseded by the average value and the investment limits set forth below for said county.

TEXAS

County	Average value	Investment limit
Bailey	\$18,000	\$12,000

(Sec. 41 (1), 60 Stat. 1066; 7 U. S. C. 1015 (1). Applies secs. 3 (a), 44 (b), 60 Stat. 1074, 1069; 7 U. S. C. 1003 (a), 1018 (b))

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[SEAL] K. T. HUTCHINSON,
Acting Secretary of Agriculture.

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PART 311—BASIC REGULATIONS

SUBPART B—LOAN LIMITATIONS

MONTANA; AVERAGE VALUES OF FARMS AND INVESTMENT LIMITS

For the purposes of title I of the Bankhead-Jones Farm Tenant Act, as amended, average values of efficient family-type farm-management units and investment limits for the counties identified below are determined to be as herein set forth. The average values and investment limits heretofore established for said counties, which appear in the tabulations of average values and investment limits under § 311.30, Chapter III, Title 6 of the Code of Federal Regulations (13 F. R. 9381), are hereby superseded by the average values and investment limits set forth below for said counties.

MONTANA

County	Average value	Investment limit
Broadwater	\$18,000	\$12,000
Missoula	16,000	12,000
Ravalli	16,000	12,000
Sanders	12,000	12,000

(Sec. 41 (1), 60 Stat. 1066; 7 U. S. C. 1015 (1). Applies secs. 3 (a), 44 (b), 60 Stat. 1074, 1069; 7 U. S. C. 1003 (a), 1018 (b))

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[SEAL] K. T. HUTCHINSON,
Acting Secretary of Agriculture.

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Subchapter E—Account Servicing

PART 364—SETTLEMENT

SUBPART A—COMPROMISE, ADJUSTMENT, AND CANCELLATION OF DEBTS OWED THE FARMERS HOME ADMINISTRATION

Subpart A of Part 364, in Chapter III, Title 6, Code of Federal Regulations (13 F. R. 9445), is amended to read as follows:

- Sec. 364.1 General.
- 364.2 Compromise and adjustment of debts upon application.
- 364.3 Cancellation of debts upon application.
- 364.4 Review by County Committee.
- 364.5 Cancellation of debts without application when the debt is not in excess of \$100.
- 364.6 Cancellation of debts without application and without regard to the amount of the debt.
- 364.7 County Office handling.
- 364.8 State Office handling.
- 364.9 Debt settlement action in the National Office.

AUTHORITY: §§ 364.1 to 364.9 issued under sec. 41 (1), 60 Stat. 1066; 7 U. S. C. 1015 (1). Interpret or apply secs. 41 (g) (2) and (3), 60 Stat. 1065, 1066, secs. 1, 2, 58 Stat. 836; 7 U. S. C. 1015 (g) (2) and (3), 12 U. S. C. 1150, 1150a. Other statutory provisions interpreted or applied are cited to text in parentheses.

DERIVATION: §§ 364.1 to 364.8 contained in FHA Instruction 456.1, except those portions of § 364.7 (f) and § 364.8 (b) concerning debts reported to the General Accounting Office contained in Order, Administrator, December 8, 1948.

§ 364.1 General—(a) Purpose and scope. (1) Sections 364.1 to 364.9 provide the policies and procedures for the compromise, adjustment, and cancellation of debts owed the United States which are under the jurisdiction of the Farmers Home Administration, hereinafter referred to as "debts owed to the Farmers Home Administration," except debts arising from:

- (i) Farm Ownership loans,
- (ii) Other Real Estate loans, except indebtedness under rent accounts, D-1 and other leases, and cancelled Lease and Purchase Contracts,
- (iii) Water Facilities loans made under 50 Stat. 869, as amended,
- (iv) 1948 Flood Damage loans made under 62 Stat. 1038,

(v) Loans made direct to associations and corporations.

(vi) Loans made by Regional Agricultural Credit Corporations.

(vii) Disaster loans made under 63 Stat. 43 and Property Damage loans made under 63 Stat. 82.

(viii) Fur loans made under 63 Stat. 43, and

(ix) Farm Housing loans made under 63 Stat. 432.

(2) Requests received by field officials for settlements of these latter nine types of debts will be referred by State Directors to the National Office for consideration and further instructions.

(b) *Definitions.* The following are definitions of certain terms used in this subpart.

(1) "Debt" or "claim" is the unpaid principal, accrued interest, and any other amounts which properly are chargeable to the account of the borrower by the Farmers Home Administration, including a borrower from a State Rural Rehabilitation Corporation or of State Rural Rehabilitation Corporation Trust funds. "Loan" includes any such indebtedness owed to the Farmers Home Administration.

(2) "Borrower" or "debtor" is any person or persons legally obligated, either as principal, surety, or otherwise, to pay debts owed the Farmers Home Administration.

(3) "Compromise" is the satisfaction of a debt by the acceptance of a lump-sum payment of an amount less than the total amount due.

(4) "Adjustment" is the reduction in a debt conditioned upon completion of payment of the adjusted amount at some specified future time or times, with or without the payment of any consideration when the adjustment offer is approved. An adjustment is not a final Settlement until all payments under the adjustment agreement have been made.

(5) "Cancellation" is the final discharge of a debt without any payment thereon, except that in the case of State Rural Rehabilitation Corporation trust claims it is the charging off of the claim as a trust asset.

(6) "Settlement" is the compromise, adjustment, or cancellation of a debt owed the Farmers Home Administration. The term "Settlement" is used for convenience in referring to compromise, adjustment, or cancellation actions, individually or collectively.

(c) *Policies.* (1) The authorities contained in this part for the settlement of debts will neither serve as justification for, nor permit, any relaxation of the efforts of officials to collect the debts owed the Farmers Home Administration in accordance with applicable policies and procedures.

(2) When it is contemplated that an additional loan will be made to a borrower, a settlement of his present debts will not be undertaken, except in unusual cases. The following conditions will exist before debt settlement actions will be considered under such circumstances:

(i) The failure of the borrower to repay the debt for which settlement is requested resulted from circumstances which were beyond his control;

(ii) The causes which necessitate debt settlement, other than weather hazards, disasters, and price fluctuations, have been removed; and

(iii) The borrower has satisfactory tenure arrangements and his proposed farming operations provide sufficient income for meeting his operating and family living expenses, and repaying his remaining debts to the Farmers Home Administration.

(3) Any case in which a debt settlement action is proposed and in which a further loan is contemplated will be referred to the National Office before either the debt settlement action or the loan is approved.

(d) *Nonstatutory sources of authority.* The authorities interpreted or applied, other than statutory authorities which are cited to text in parentheses, are:

(1) Trust agreements with the various State Rural Rehabilitation Corporations, which are the source of authority for settlement of State Rural Rehabilitation Corporation trust claims.

(2) Secretary's regulations with respect to debt settlements under sections 1, 2, 58 Stat. 836; 12 U. S. C. 1150, 1150a (10 F. R. 807; 13 F. R. 6903; 7 CFR Part 3).

(Sec. 41 (g), 60 Stat. 1065; 7 U. S. C. 1015 (g), and secs. 1, 2, 58 Stat. 836; 12 U. S. C. 1150, 1150a)

§ 364.2 *Compromise and adjustment of debts upon application.* (a) Debts of the following types may be compromised or adjusted, subject to the applicable provisions of this part, upon application by the borrower or, if the borrower is unable to act for himself, upon application by his guardian, executor, administrator, or any other person directly interested in his estate;

(1) Emergency Crop and Feed loans, including Drought Feed loans made in 1934-1935 and loans made by the Secretary of Agriculture to farmers for the purchase of capital stock in forming local Agricultural Credit Corporations.

(2) Rural Rehabilitation loans, including those made from State Rural Rehabilitation Corporation funds.

(3) Flood and Windstorm Restoration loans.

(4) Rent accounts, including D-1 and other leases.

(5) Lease and Purchase Contracts that have been canceled.

(6) Furniture Contracts.

(7) Wartime Civilian Control Administration loans. These loans were made only in the West Coast States.

(8) Production and Subsistence loans.

(9) Water Facilities loans made with Rural Rehabilitation funds.

(b) Compromise or adjustment of debts described in paragraph (a) of this section, upon application, is authorized provided all of the following conditions exist:

(1) The debt on which a compromise or adjustment is requested is less than \$10,000 (principal, interest, and other charges). Any case in which the total debt owed the Farmers Home Administration is \$10,000 or more (principal, interest, and any other charges), includ-

ing, for this purpose, any indebtedness not included in the settlement offer, will be referred to the National Office for consideration.

(2) The debt or any renewal thereof on which settlement is requested is due and payable, or the right of acceleration thereof has been exercised by written notice prior to the date of the application. Except for debts renewed prior to December 31, 1944, if a period of two years has not elapsed since the due date of the final unpaid installment or the date of acceleration, the case will be referred to the National Office for consideration before a settlement is approved or rejected by the State Director, regardless of the amount of the debt.

(3) The borrower is unable to pay in full his debts to the Farmers Home Administration and the amount offered in compromise or adjustment represents a reasonable determination of his ability to pay and the value of any security for the debt. Unwillingness of the borrower to pay his debt when there is ample evidence of reasonable ability to pay in full will not justify the acceptance of a compromise or adjustment offer. Whether or not a borrower has acted in good faith in an effort to meet his obligation to the Government will also be considered. The debt-paying ability of a borrower will be determined by a complete analysis of his circumstances. The following factors, among others, will be considered in making this analysis:

(i) *The present income of the borrower and probable income over a reasonable period of time.* The source of a borrower's income and the nature of his work will affect the stability of his future income and debt-paying ability and will have an important bearing in determining reasonable repayment ability. Old age pensions, other Public Welfare assistance, and payments received by veterans for pensionable disabilities will not be considered as sources of funds with which to make compromise and adjustment offers. Representatives of the Farmers Home Administration will not solicit compromise and adjustment offers to be paid from these sources.

(ii) *Necessary operating and living expenses.* It is essential to determine the necessary operating and living expenses of the borrower as well as the annual amount of payments that must be made on secured debts, taxes, and other such items by the borrower to enable him to continue his operations. When the amount of gross income is the same as the total of operating and living expenses, the operations of the borrower will be very closely examined except when income is so low that it may reasonably be expected that all of the income will be needed for operating and living expenses.

(iii) *The value of security.* Before the settlement of a debt can be approved, it will be necessary for the borrower to offer an amount at least equal to the fair-market value of the security, including crop security. Permitting a borrower to retain security property will ordinarily leave him with earning power and income, which, along with all other pertinent factors, will be considered in determining whether the borrower has any

reasonable ability to pay an amount above the value of security property.

(iv) *Borrower's other property.* In addition to any security property, including crop security, the earning capacity of all other property owned by the borrower, will be considered carefully in making a reasonable determination of his ability to pay. Also, the value of the borrower's entire assets in relation to his total debts owed, and the security for such debts, is one indication of reasonable repayment ability. Consideration will be given, however, to the actual needs of the borrower in continuing his operations and in meeting his family living expenses, and the borrower will not be required to liquidate those assets which are essential for these purposes before settlement is approved.

(v) *The total debts of the borrower and the relative priorities on his income.* The extent and manner in which the borrower's debts are secured and the claim that secured debts have on his income will determine the position of the various creditors in obtaining payment from income. The relative position of the Farmers Home Administration, as a creditor, and the amount of income available for payments on debts, will determine largely the payments that may be expected out of income. In some cases, particularly when borrowers are farming, County Supervisors may need to contact other creditors for the purpose of effecting an adjustment in the debts owed such creditors.

(vi) *The age and health of the borrower.* Age alone is not necessarily an indication of the borrower's reasonable repayment ability, although a borrower of advanced age may be less likely to have stability of income with which to pay debts. Also, the health of a borrower and of his family necessarily will weigh heavily in determining his probable income and the use thereof.

(Sec. 41 (g), 60 Stat. 1065; 7 U. S. C. 1015 (g))

§ 364.3 *Cancellation of debts upon application.* (a) Debts of the following types may be canceled, subject to the applicable provisions of this part, upon application by the borrower, or, when unable to act for himself, upon application by his guardian, executor, administrator, or any other person directly interested in his estate:

(1) Emergency Crop and Feed loans, including Drought Feed loans made in 1934-1935, and loans made by the Secretary of Agriculture to farmers for the purchase of capital stock in forming local Agricultural Credit Corporations.

(2) Rural Rehabilitation loans, except those made from State Rural Rehabilitation Corporation funds.

(3) Rent accounts, including D-1 and other leases.

(4) Lease and Purchase Contracts that have been canceled.

(5) Furniture Contracts.

(6) Flood and Windstorm Restoration loans.

(7) Water Facilities loans made with Rural Rehabilitation funds.

(b) The following requirements will be met before any debts described in paragraph (a) of this section may be canceled upon application:

(1) The principal balance owed on loans made under a single act of Congress is not in excess of \$1,000.

(2) The final unpaid installment on the debt is five years or more past due, or five years or more have elapsed since the date of acceleration. (For renewed accounts, the five years will begin to run from the date the last unpaid installment became due on the renewal note or from the date of the notice of acceleration.)

(3) The borrower is unable to pay any part of his debt and has no reasonable prospect of being able to do so. However, no debts may be canceled unless advantage accrues to the Government from the removal of such debts from the records, thereby eliminating further loan servicing cost.

(4) The borrower has acted in good faith in an effort to pay his debts to the Government. Some of the factors which will be considered in determining whether the borrower has acted in good faith are: (i) Whether the borrower has attempted through the transfer or sale of security property or other assets, or by other means, to defeat efforts to collect the debt; (ii) whether the borrower has made any material misrepresentation or concealed any material facts in obtaining the loans; or (iii) used substantial amounts of loan funds for unauthorized purposes which were detrimental to his operations.

(Secs. 1, 2, 58 Stat. 836; 12 U. S. C. 1150, 1150a)

§ 364.4 *Review by County Committee.* The County Committee will review all applications for settlement of debts and will recommend approval or rejection. No settlement may be approved by officials of the Farmers Home Administration which is more favorable to the borrower than that recommended by the County Committee. State Directors are authorized, upon obtaining approval of the Administrator, to delegate to duly established Farmers Home Administration county committees authority to perform debt settlement functions under this part in counties for which no county committees have been appointed.

(Secs. 41 (g) (2) (C), 60 Stat. 1066; 7 U. S. C. 1015 (g) (2) (C), and sec. 42 (d), 60 Stat. 1067; 7 U. S. C. 1016 (d), and sec. 1, 58 Stat. 836; 12 U. S. C. 1150)

§ 364.5 *Cancellation of debts without application when the debt is not in excess of \$100.* (a) Debts of the following types may be canceled, subject to the applicable provisions of this part without application, when the total debt (principal, interest and other charges) is not in excess of \$100:

(1) Emergency Crop and Feed loans, including Drought Feed loans made in 1934-1935 and loans made by the Secretary of Agriculture to farmers for the purchase of capital stock in forming local Agricultural Credit Corporations.

(2) Rural Rehabilitation loans, including those made from State Rural Rehabilitation Corporation funds.

(3) Flood and Windstorm Restoration loans.

(4) Rent accounts, including D-1 and other leases.

(5) Lease and Purchase Contracts that have been canceled.

(6) Furniture Contracts.

(7) Wartime Civilian Control Administration loans. These loans were made only in the West Coast States.

(8) Production and Subsistence loans.

(9) Water Facilities loans made from Rural Rehabilitation funds.

(b) The types of loans described in paragraph (a) of this section, may be canceled when:

(1) The total debt is \$10 or less, and it appears that further collection efforts would be ineffectual or likely to prove uneconomical, or

(2) The total debt is not in excess of \$100, has been due and payable for three years or more, and the County Supervisor of the Farmers Home Administration having charge of the claim has furnished a report showing that:

(i) The borrower has no assets from which the claim could be collected, or

(ii) The borrower has been absent from his last known address for a period of at least two years and his whereabouts cannot be ascertained without undue expense.

(Sec. 41 (g) (3), 60 Stat. 1066; 7 U. S. C. 1015 (g) (3))

§ 364.6 *Cancellation of debts without application and without regard to the amount of the debt.* (a) Debts of the following types may be canceled, subject to the applicable provisions of this part, without application, regardless of the amount due:

(1) Emergency Crop and Feed loans, including Drought Feed loans made in 1934-1935 and loans made by the Secretary of Agriculture to farmers for the purchase of capital stock in forming local Agricultural Credit Corporations.

(2) Rural Rehabilitation loans, including those made from State Rural Rehabilitation Corporation funds.

(3) Rent accounts, including D-1 and other leases.

(4) Lease and Purchase Contracts that have been canceled.

(5) Furniture Contracts.

(6) Flood and Windstorm Restoration loans.

(7) Production and Subsistence loans.

(8) Water Facilities loans made from Rural Rehabilitation funds.

(b) Debts described in paragraph (a) of this section may be canceled when all of the requirements of subparagraphs (1), (2), (3), or (4) of this paragraph are met:

(1) The borrower (all obligors, including any who may have previously assumed the debt) is deceased and the following conditions exist:

(i) There is no known security for the debt.

(ii) If an administrator or executor has not been appointed to settle the estate of the borrower, the financial condition of the estate has been investigated, and it has been established that there is no reasonable prospect of recovery.

(iii) If an administrator has been appointed to settle the estate of a borrower and (a) a final settlement has been made and confirmed by the probate court and the Government's claim was recognized

properly and the Government has received all funds it was entitled to, or (b) a final settlement has not been made and confirmed by the probate court but (1) there are no assets in the estate from which there is any reasonable prospect of recovery, or (2) there were assets in the estate from which recovery might have been effected but such assets have been disposed of, or lost, in a manner which precludes any reasonable prospect of recovery by the Government.

(2) The borrower (all obligors, including any who may have previously assumed the debt) has received a discharge of the debt in bankruptcy, the debt has not previously been revived by the borrower, and there is no known security for the debt.

(3) The whereabouts of the borrower (all obligors, including any who may have previously assumed the debt) has remained unknown for two years or more, there is no known security for the debt and no reasonable prospect of further collection, and reasonable efforts have been made to locate the borrower.

(4) State Rural Rehabilitation Corporation trust claims may be canceled also, without regard to the amount of the debt, when there is no known security for the debt; the final unpaid installment on the debt is five years or more past due, or five years or more have elapsed since the date of acceleration; and the borrower is unable to pay any part of his debt and has no reasonable prospect of being able to do so. However, no debts may be canceled unless advantage accrues to the Government from the removal of such debts from the records, thereby eliminating further loan servicing cost.

(Secs. 1, 2, 58 Stat. 836; 12 U. S. C. 1150, 1150a)

§ 364.7 *County Office handling.* (a) Form FHA-858, "Application for Settlement of Indebtedness," will be used by borrowers who apply for compromise, adjustment, or cancellation of debts, and will be filed in County Offices. Borrowers will be required to sign only the original of Form FHA-858 except when an additional signed copy may be necessary for use in the County Office or State Office. Witnessing the signature of a borrower on Form FHA-858 is not required unless the borrower signs by mark. In the latter event, one witness is required. An employee of the Farmers Home Administration may act as a witness to the signing of Form FHA-858.

(b) Form FHA-859, "Advice of Cancellation of FHA Indebtedness," will be used for the cancellation of debts without application, and will be prepared in an original and two copies. The original and one copy will be signed by the County Supervisor and submitted to the State Office along with the borrower's case file and one copy will be retained in the County Office.

(1) If the debt is not in excess of \$100 (principal, interest, and other charges), the debt has been due and payable for three years or more, the borrower has been absent from his last known address for a period of at least two years, and his whereabouts cannot be ascertained

without undue expense, reason 2 on Form FHA-859 (4-21-47), will be checked but the present language under that reason will be changed to read, "Amount of claim, including interest, is over \$10 but not in excess of \$100, is three or more years past due, the debtor(s) has been absent from his last known address for a period of at least two years, and his whereabouts cannot be ascertained without undue expense."

(2) If cancellation of State Rural Rehabilitation Corporation trust claims is made in accordance with § 364.6 (b) (4), the following will be typed on Form FHA-859 (4-21-47), and checked as the reason for cancellation: "Amount of claim, including interest, is in excess of \$100, is five or more years past due, and the debtor(s) is unable to pay any part of the debt and has no reasonable prospect of being able to do so."

(c) Settlements may not be approved as to one joint obligor unless approved as to all obligors, including any other persons who may have previously assumed the debt.

(1) A separate Form FHA-858 will be completed by each obligor, unless the obligors are members of the same family, such as, husband and wife, or mother and son, and their situation is such that all necessary information can be clearly shown in a single application. In the latter cases, the application will contain the required financial information for each obligor and will be signed by each. Also, the disposition of income, assets, and liabilities between each obligor, as well as any other pertinent information concerning the working relationship, will be shown under Part VII of the application. When separate applications are required, they will be transmitted to the State Office as a unit.

(2) If one obligor applies for compromise, adjustment, or cancellation, and the other obligor does not join in the application or execute a separate application, Form FHA-858 will be prepared by showing at the top of the form the name of the borrower requesting settlement, followed by the name of the other obligor, as, for example, "John Doe, joint obligor with Mary Doe." In addition to the facts concerning the repayment ability of the obligor making the application, the income, expenses, assets, liabilities, and any other pertinent information concerning the other obligor will be shown in Part VII of the application. The State Director will submit such application and the related files to the National Office for consideration.

(3) If an application for settlement is received from one obligor and the other obligor is deceased, or has received a discharge of the debt in bankruptcy, or his whereabouts is unknown, Form FHA-858 will be prepared by showing at the top of the form the name of the obligor requesting settlement followed by the name of the other obligor, as, for example, "John Doe, joint obligor with Mary Doe, deceased," "John Doe, joint obligor with Mary Doe, bankrupt," or "John Doe, joint obligor with Mary Doe, whereabouts unknown." In addition to the information shown under Part VII of the application concerning the obligor

requesting settlement, information will be shown to indicate how the applicable requirements of this part have been met with respect to the other obligor. However, if the debt is not in excess of \$100 (principal, interest, and other charges) and the proposed action is cancellation, Form FHA-859 may be used and the names of the obligors will be shown at the top of the form in the same manner as prescribed in this subparagraph. Under "Facts Supporting Cancellation," information will be shown sufficient to justify cancellation of the claim against each obligor.

(4) If (i) one obligor is deceased and the other obligor has been discharged of the debt in bankruptcy or his whereabouts is unknown, or (ii) one obligor has been discharged of the debt in bankruptcy and the whereabouts of the other obligor is unknown, Form FHA-859 will be used and the names of each obligor will be shown at the top of the form, as, for example, "John Doe, deceased, joint obligor with Mary Doe, bankrupt," and so forth. Under "Facts Supporting Cancellation," information will be shown sufficient to justify cancellation of the claim against each obligor.

(d) An "Application for Settlement of Indebtedness" will not be taken when an offer to compromise the debt is pending before the Secretary of the Treasury.

(e) When a claim has been referred to the Department of Justice for collection, it will be handled as follows:

(1) When claim is pending before the Department of Justice and its files have not been closed and a borrower requests a settlement of his debt under this part, the County Supervisor will explain to the borrower (i) that the Department of Justice has exclusive jurisdiction over the claim and that, therefore, the Farmers Home Administration no longer has authority to consider a settlement under the provisions of this part, and (ii) that, if he wishes to make a compromise offer or has any other plan for repayment of all or a part of his debt, he may submit his proposition directly to the United States Attorney who has charge of the claim. The County Supervisor, upon request by a borrower, may assist the borrower in preparing his proposal for submission to the United States Attorney, but the proposal will be over the signature of the borrower. The County Supervisor will make no recommendation to the United States Attorney, and will avoid making any statement or commitment to the borrower which might in any way prejudice the United States Attorney's handling of the case.

(2) When a claim has been referred to the Department of Justice and later returned with a statement that the case has been closed without taking judgment, the debt may be settled in accordance with the provisions of this part, and

(3) When a case in which a judgment has been taken is returned by the Department of Justice with the statement that its file has been closed, any compromise or adjustment offer received from the judgment debtor will be taken on Form FHA-858. Any payments made in connection with such offers will be in the form of a money order, check, or

bank draft, payable to the Treasurer of the United States, but no receipt therefor will be issued. The application and payment will be transmitted to the State Director for referral to the appropriate United States Attorney through the representative of the Office of the Solicitor.

(f) Indebtedness under Rent accounts, including D-1 and other leases, Lease and Purchase Contracts that have been cancelled, and other indebtedness which has been reported to the General Accounting Office, will be settled under the applicable provisions of this part, subject to the following conditions:

(1) If the General Accounting Office has referred the claim to the Department of Justice for collection and the borrower requests a settlement of the debt under this part, the County Supervisor will explain to the borrower (i) that the Department of Justice has exclusive jurisdiction over the claim and that, therefore, the Farmers Home Administration no longer has authority to consider a settlement under the provisions of this part, and (ii) that, if he wishes to make a compromise offer or has any other plan for repayment of all or a part of his debt, he may submit his proposition directly to the United States Attorney who has charge of the claim. The County Supervisor, upon request by a borrower, may assist the borrower in preparing his proposal for submission to the United States Attorney, but the proposal will be over the signature of the borrower. The County Supervisor will make no recommendation to the United States Attorney, and will avoid making any statement or commitment to the borrower which might in any way prejudice the United States Attorney's handling of the case.

(2) If the General Accounting Office has not referred the claim to the Department of Justice for collection, but the claim has been reported on Form FHA-752, "Reply to General Accounting Office Inquiry," as uncollectible, the County Supervisor will inform the borrower that the Farmers Home Administration does not presently have authority to effect a settlement of the indebtedness, but that if the borrower desires to do so, he may submit an application on Form FHA-858. The application will be prepared and processed in the same manner as other like applications under this part, except that the County Supervisor will forward it, together with any amount accompanying the offer, to the State Office for referral to the National Office.

(g) The repayment ability and other circumstances of borrowers will be investigated and discussed with them in order to assist in determining the proper type and terms of settlement offers. The present and future repayment ability of a borrower, and any other pertinent factors will be the basis for determining whether the debts should be compromised, adjusted, or canceled. These same factors will be used in determining the amount of a reasonable offer in compromise and adjustment cases.

(h) Farmers Home Administration representatives will not solicit small or "token" offers from borrowers who have

no reasonable repayment ability. This applies to all cases, including those in which the debt is not eligible for cancellation because of statutory limitations such as those pertaining to the principal amount due under a single act of Congress, the type of debt, the length of time the debt has been due, or the total amount of the debt.

(i) Requests made for the release of security property, and any other action taken or known to be contemplated, by a borrower whose application for debt settlement is pending in the State Office will be referred to the State Director when such action may affect the status of the debts, the borrower's ability to pay, or otherwise have a bearing on the final decision to be made with respect to the settlement. It is the responsibility of County Supervisors to service adequately all debts, and the security therefor, with respect to which adjustments have been approved. When it is determined that a borrower has failed to comply reasonably with the terms of such agreements, they will become inoperative and any payments made thereunder will be retained as payments on the debt owed at the time of application. Unless payments in adjustment cases are received within thirty days after the due date, the County Supervisor will notify the State Director of the failure of the borrower to meet the terms of the approved adjustment offer, and will submit his recommendation to the State Office along with any other pertinent information. If it appears that payment will not be made within ninety days from the due date, and the County Supervisor believes that an extension of more than ninety days is justified, his recommendation will be accompanied by a recommendation from the County Committee.

(j) An application with which the borrower offers a lump-sum payment in compromise, or with which he offers an initial payment on an adjustment offer, will be supported by the payments required therein at the time such application is filed in the County Office. When applications for settlement contain an offer to pay a specified amount upon notice of approval of the proposed settlement, the case will be handled as an "adjustment offer" rather than as a "compromise offer." Payments, other than those referred to in paragraph (e) (3) of this section, may be in any form that is acceptable to the Farmers Home Administration as payments on accounts and will be receipted for, by officials of the Farmers Home Administration who are authorized to accept collections, on Form FHA-37, "Receipt for Payment."

(k) Proceeds derived from the sale of security property, including crop security, will not be used in making a compromise or adjustment offer. Such proceeds are subject to application on the borrower's account, irrespective of an application for settlement of debts and, therefore, cannot be returned to the borrower if the offer is rejected. After such proceeds are received for credit to the borrower's account, he may then apply for settlement of his remaining indebtedness.

(l) Notes evidencing debts settled upon application will be returned to bor-

rowers. Notes evidencing debts canceled without application, except those evidencing charged-off State Rural Rehabilitation Corporation trust claims, will be delivered to borrowers upon request, or if the borrower is deceased, to his legal representative or to some other person directly interested in the estate, preferably the surviving spouse.

(Sec. 41 (g), 60 Stat. 1065; 7 U. S. C. 1015 (g), and secs. 1, 2, 58 Stat. 836; 12 U. S. C. 1150, 1150a)

§ 364.8 *State Office handling.* (a) Subject to the policies, procedures, and limitations set forth in this part, State Directors are authorized to approve compromise, adjustment, and cancellation of debts due the Farmers Home Administration upon application by borrowers, and to cancel debts due the Farmers Home Administration without application. This authority may be redelegated upon special authorization from the Administrator.

(b) Applications for settlement of rent accounts, including D-1 and other leases, Lease and Purchase Contracts that have been canceled, and other debts which have been reported to the General Accounting Office as uncollectible, but which it has not referred to the Department of Justice for collection, will be forwarded to the National Office together with any amount accompanying the application. The application will then be referred to the General Accounting Office for disposition, or will, with the consent of the General Accounting Office, be processed by the Farmers Home Administration under the provisions of this part.

(c) The final action taken on an application for settlement will be indicated by the approving official, who will sign and date the original Form FHA-858.

(1) State Directors will notify borrowers, by letter, of the final action taken on their applications for settlement. For approved applications, the letter will set forth specifically the amount of the debt and the amount and terms of the offer. For rejected applications, the letter will set forth the reasons therefor, and any payments tendered on the application will be returned to the borrower.

(2) If a borrower fails to meet the terms of an approved adjustment settlement, the State Director may grant a reasonable extension of time within which compliance may be made, usually not to exceed ninety days, when circumstances justify such action. When the extension in time for the payment of installments due under an approved adjustment will be for a period of more than ninety days, the extension will be recommended by the County Committee. If an extension is granted, the State Director will notify the borrower, by letter, to that effect. When an adjustment offer is voided, the State Director will notify the borrower, by letter, of such action and the reasons therefor. The voiding of an adjustment offer will not preclude consideration of a later offer of settlement by the borrower, if a new application is submitted meeting all of the applicable requirements of this part.

(d) The final action taken with respect to the cancellation of debts without application will be indicated by the approving official who will sign and date the original of Form FHA-859. If the proposed action is rejected, the reasons for rejection will be given.

(e) Any proposed debt settlement actions will be referred to the National Office for concurrence by the Administrator or his delegate before final approval or rejection when:

(1) Regardless of the amount of indebtedness on which settlement is requested, the total debt owed the Farmers Home Administration is \$10,000 or more, including, for this purpose, the total indebtedness of the borrower whether or not included in the settlement offer. When the debt on which settlement is requested is \$10,000 or more, a determination will be made in the National Office as to whether the offer will be submitted to the Treasury Department or to the Department of Justice for consideration.

(2) Two years has not elapsed since the due date of the final unpaid installment on the debt or since the right of acceleration under the terms of the note was exercised by written notice; however, such cases need not be referred to the National Office for concurrence if the notes evidencing the debt on which settlement is requested were renewed prior to December 31, 1944, unless referral is otherwise required.

(3) The debts on which settlement is requested include Rent accounts, including D-1 and other leases, Lease and Purchase Contracts that have been canceled, or any other debts which have been reported to the General Accounting Office as uncollectible, but have not been referred by it to the Department of Justice for collection.

(4) Debt settlement action is proposed and a further loan is contemplated.

(5) The proposed debt settlement action is for an active borrower who is receiving supervision or who has progressed to the extent that he is able to make needed adjustments and improvements without further supervisory assistance.

(6) One obligor applies for a compromise or adjustment settlement and the other obligor does not join in the application or execute a separate application.

(7) The borrower receives all or a part of his income from Federal employment.

(8) A request is received for settlement of the debts described in § 364.1 (a) (1) (i)-(ix).

(9) The State Director wishes to obtain the views of the National Office on any proposed settlements not described in paragraphs (e) (1)-(8) of this section.

(Sec. 41 (g), 60 Stat. 1065; 7 U. S. C. 1015 (g), and secs. 1, 2, 58 Stat. 836; 12 U. S. C. 1150, 1150a)

§ 364.9 *Debt settlement action in the National Office.* The Deputy Administrators; the Assistant Administrators; the Director, Production Loan Division; and the Director, Farm Ownership Division, severally and not jointly,

subject to general supervision of the Administrator, may do all things the Administrator is required or empowered to do in connection with the debt settlement activities and operations in the National Office, pursuant to the act of Congress, approved December 20, 1944 (58 Stat. 836; 12 U. S. C. 1150), the Farmers Home Administration Act of 1946, approved August 14, 1946, as amended (60 Stat. 1062, 7 U. S. C. 1000), and the transfer agreements with the various State Rural Rehabilitation Corporations. Such functions include but are not limited to the approval and disapproval of applications for the compromise, cancellation and adjustment of debts pursuant to the within named acts and transfer agreements.

(Sec. 41 (i), 60 Stat. 1066; 7 U. S. C. 1015 (i), and sec. 1, 58 Stat. 836; 12 U. S. C. 1150, and 5 U. S. C. 22, R. S. 161)

Dated: October 27, 1949.

[SEAL] DILLARD B. LASSETER,
Administrator,
Farmers Home Administration.

Approved: November 10, 1949.

K. T. HUTCHINSON,
Acting Secretary of Agriculture.

[F. R. Doc. 49-9246 Filed, Nov. 16, 1949;
8:47 a. m.]

Chapter IV—Production and Marketing Administration and Commodity Credit Corporation, Department of Agriculture

Subchapter B—Export and Diversion Programs

PART 518—FRUITS AND BERRIES, DRIED AND PROCESSED

DRIED PRUNE DIVERSION PROGRAM (FISCAL YEAR 1950)

Sec.	
518.161	General statement.
518.162	Rate of diversion payment.
518.163	Persons eligible for participation.
518.164	Persons not eligible for participation.
518.165	Allocation of tonnage for diversion.
518.166	Minimum grade and inspection.
518.167	Period for sale or holding for diversion and period for diversion.
518.168	Shipment for diversion.
518.169	Period for filing claims.
518.170	Unauthorized use.
518.171	Proof of claim by Diverter who manufactured prune juice.
518.172	Proof of claim by Diverter who shipped for diversion.
518.173	Records and accounts.
518.174	Reports.
518.175	Set-off.
518.176	Assignment.
518.177	Amendment and termination.
518.178	Definitions.
518.179	Information and forms.

AUTHORITY: §§ 518.161 to 518.179 issued under sec. 32, 49 Stat. 774, as amended, 7 U. S. C. and Sup., 612c.

§ 518.161 *General statement.* In order to encourage the domestic consumption of standard quality dried prunes produced in the State of California, by diverting them to the manufacture of prune juice, the Secretary of Agriculture, pursuant to the authority conferred by section 32 of Public Law 320, 74th

Congress, as amended, offers to make payments to participants under this program upon the terms and conditions stated herein.

§ 518.162 *Rate of diversion payment.* The rate of diversion payment shall be the applicable rate specified in the following table:

Natural condition weight		Processed weight	
Size	Rate in cents per pound	Size	Rate in cents per pound
91 to 100.....	1.00	90/100.....	1.50
81 to 90.....	1.50	80/90.....	2.00
71 to 80.....	2.25	70/80.....	2.75
70 and larger....	3.00	60/70 and larger..	3.50

§ 518.163 *Persons eligible for participation.* Except as provided in § 518.164, (a) any person who manufactures prune juice in the State of California from California dried prunes produced by him or acquired by him from producers or (b) any person, other than a producer, who ships California dried prunes for the manufacture of prune juice by himself to any point in the continental United States excluding California or who ships such prunes to another person for such manufacture at any point in the continental United States, may, with respect to such prunes, file an application for participation in this program with the Director, Fruit and Vegetable Branch, Production and Marketing Administration, United States Department of Agriculture (hereinafter referred to as the Director) on the form attached hereto and made a part hereof. More than one application may be filed, from time to time, by any such person. Such application must be approved by the Director before the person making such application is eligible for participation hereunder. The Director reserves the right to approve any such application for the entire quantity stated therein or for any part thereof. The Director reserves the further right to withdraw approval of any such application with respect to all or any part of the approved quantity at any time by written notice to the person who filed the application and such person thereafter shall be ineligible for participation hereunder with respect to the quantity for which approval was withdrawn until and unless his application is reapproved: *Provided*, That such withdrawal shall not apply to any dried prunes so used in or shipped for the making of prune juice if such dried prunes were diverted or sold for shipment for diversion prior to the effective time and date of such withdrawal. Any person holding an approved application is hereinafter referred to as a Diverter. Payment will not be made on any quantity of dried prunes diverted in excess of that for which an application has been approved.

§ 518.164 *Persons not eligible for participation.* No member of or delegate to Congress, or resident Commissioner, shall be admitted to any share or part of any contract resulting from this offer or to any benefits that may arise therefrom, but this provision shall not be con-

strued to extend to such a contract if made with a corporation for its general benefit nor shall it extend to any benefit which may accrue to such member, delegate, or Commissioner, in his capacity as a farmer.

§ 518.165 *Allocation of tonnage for diversion.* The Director may allocate the tonnage of dried prunes to be diverted hereunder, among eligible persons filing applications pursuant to § 518.163, at any time after the publication of this offer in the FEDERAL REGISTER. If the Director finds on the basis of Diverters' reports or such other pertinent information as is available to him that any portion of such allocated tonnage will not be used for diversion as provided for herein, he may reallocate such portion to other Diverters.

§ 518.166 *Minimum grade and inspection.* Dried prunes diverted or shipped for diversion hereunder shall meet the minimum standards for natural condition prunes or the minimum standards for processed prunes, whichever is applicable, specified in Exhibit A of the Federal Marketing Order Regulating the Handling of Dried Prunes Produced in California (14 F. R. 5254). All such dried prunes shall be inspected in California immediately prior to diversion or shipment for diversion. Such inspection shall be performed by a representative of the Processed Products Standardization and Inspection Division, Fruit and Vegetable Branch, Production and Marketing Administration, United States Department of Agriculture. The Diverter shall obtain from such representative the original and one copy of the inspection certificate issued with respect to the dried prunes to be so diverted or shipped. The cost of the inspection and issuance of certificates shall be borne by the Diverter.

§ 518.167 *Period for sale or holding for diversion and period for diversion.* (a) No payment will be made hereunder to any Diverter who shipped dried prunes for diversion unless the dried prunes so shipped were sold during the period beginning on October 3, 1949, and ending on June 30, 1950.

(b) No payment will be made hereunder to any Diverter who manufactured prune juice unless the dried prunes used by such manufacturer were held by him on or before June 30, 1950, and were diverted. Such Diverter shall file with the Chief, Western Marketing Field Office, Fruit and Vegetable Branch, Production and Marketing Administration, United States Department of Agriculture, 2180 Milvia Street, Berkeley 1, California, evidence of such holding and intention to divert. Such evidence shall include a written notice, or notices, of transfer from his dried fruit department to his canning or juice department, shipping orders, or such other documents as the Director may approve as evidence of holding. Such documents shall be filed in duplicate and shall show the name and address of the Diverter, the location of the plant where diversion will be effected, and the quantity of each size of dried prunes which are so held and with respect to which a separate rate is pro-

vided in § 518.162, stating whether each such quantity is natural condition or processed weight. Together with such evidence of holding, the Diverter shall file a certified agreement that he will divert such quantities of dried prunes. Such documents may be so filed from time to time but not later than June 30, 1950.

(c) No payment will be made hereunder in connection with any dried prunes unless the dried prunes were diverted in accordance with the terms and conditions hereof during the period beginning on October 3, 1949, and ending on August 31, 1950, unless a later date is specified by the Director.

§ 518.168 *Shipment for diversion.* (a) Any Diverter who ships California dried prunes to a prune juice manufacturer other than himself must enter into a written contract with such manufacturer in which such manufacturer agrees to divert such dried prunes into prune juice. Such contract shall include a provision granting to the Director, or any person designated by him, access to such manufacturer's plant or buildings, or to any plant or building where such dried prunes are stored or diverted, and the right to examine such manufacturer's applicable books and records, for the purpose of verifying the diversion of such prunes.

(b) Prior to making any shipment by railroad of dried prunes for diversion, the Diverter shall file with the Chief, Western Marketing Field Office, Fruit and Vegetable Branch, Production and Marketing Administration, United States Department of Agriculture, 2180 Milvia Street, Berkeley 1, California, a statement of his intention to make such shipment. The statement shall include the name and address of the prune juice manufacturer, the size and weight (specifying whether natural condition or processed weight) of the dried prunes to be shipped, and the name of the initial carrier. Within 72 hours of the time of shipment, the Diverter shall file with the aforesaid Chief, the original and one copy of the inspection certificates applicable to the prunes included in the shipment and, at the time of inspection, the Diverter shall furnish to the inspector, for notation on the inspection certificate, the name of the initial carrier, the car initial and number, the date of shipment, the final destination of the shipment, the name and address of the consignee, the name and address of the prune juice manufacturer if other than the consignee, and the quantity of dried prunes included in the shipment: *Provided*, That, if such shipment is made by the Diverter for the manufacturer of prune juice by himself within the State of California, the foregoing requirements with respect to filing inspection certificates and notation thereon shall not apply.

(c) Prior to making any shipment, by other than railroad, of dried prunes for diversion, the Diverter shall file by wire or airmail letter with the aforesaid Chief, a statement of his intention to make such shipment. The statement shall include the name and address of the prune juice manufacturer, the size

and weight (specifying whether natural condition or processed weight) of the dried prunes to be shipped, and the time of shipment. Within 72 hours of the time of shipment, the Diverter shall file with the aforesaid Chief, the original and one copy of the inspection certificates applicable to the prunes included in the shipment and, at the time of inspection, the Diverter shall furnish to the inspector, for notation on the inspection certificate, the name and type of the initial carrier, the date of shipment, the final destination of the shipment, the name and address of the consignee, the name and address of the prune juice manufacturer if other than the consignee, and the quantity of dried prunes included in the shipment: *Provided*, That, if such shipment is made by the Diverter for the manufacture of prune juice by himself within the State of California, the foregoing requirements with respect to filing inspection certificates and notation thereon shall not apply.

§ 518.169 *Period for filing claims.* Claims for payment with respect to dried prunes diverted or shipped for diversion hereunder shall be filed directly with or mailed to the Chief, Western Marketing Field Office, not later than September 30, 1950, unless a later date is specified by the Director.

§ 518.170 *Unauthorized use.* In the event that any dried prunes are used in any way not authorized by this offer, the Diverter shall not be entitled to payment hereunder on such dried prunes and if payment has been made to him he shall refund such payment to the Director. The Diverter shall notify the Director immediately he receives information of any unauthorized use. The provisions of this section are in addition to any other remedy which may be available in such cases.

§ 518.171 *Proof of claim by Diverter who manufactured prune juice.* Each claim for payment with respect to dried prunes diverted hereunder shall be filed in an original and three copies of voucher Form FDA-564 and shall be supported, as prima facie evidence of compliance with requirements of this offer, by the original and one copy of the applicable inspection certificates, two copies of a certified statement by the Diverter that he has diverted to prune juice, in accordance with the terms and conditions hereof, the dried prunes with respect to which the claim is filed, and such other documents as may be required by the Director. Such statement shall include the place of diversion, the date when diversion was completed, and the quantity of each size of dried prunes diverted (specifying whether natural condition or processed weight). With respect to any dried prunes diverted by a Diverter into prune juice prior to the date of approval of his application, such Diverter shall accompany his claim with a certified statement, where applicable, that such diversion was accomplished in reliance upon a press release issued by the United States Department of Agriculture on October 3, 1949, concerning diversion payments to be made on dried prunes diverted into prune juice.

§ 518.172 *Proof of claim by Diverter who shipped for diversion.* (a) Each claim for payment with respect to dried prunes shipped for diversion under this offer shall be filed in an original and three copies of voucher Form FDA-564 and shall be supported, as prima facie evidence of compliance with requirements of this offer, by (1) a certified statement by the Diverter identifying the inspection certificates filed pursuant to § 518.168, (2) two certified copies of the sales contract, (3) two copies of a certified statement by the prune juice manufacturer that he has diverted into prune juice the dried prunes sold for diversion under such contract, and (4) such other documents as may be required by the Director.

(b) Each sales contract shall include (1) the date of sale, (2) the price per unit of weight charged to the prune juice manufacturer (specifying whether natural condition or processed weight), (3) the quantity of each size of dried prunes sold, and (4) the name and address of the prune juice manufacturer.

(c) With respect to any dried prunes sold prior to the date of approval of a Diverter's application, such Diverter shall accompany his claim with a certified statement, where applicable, that such sale was made in reliance upon a press release issued by the United States Department of Agriculture on October 3, 1949, concerning diversion payments to be made on dried prunes diverted into prune juice.

§ 518.173 *Records and accounts.* The Diverter agrees to maintain a system of records and accounts which shall accurately reflect all of his transactions hereunder and shall preserve such records and accounts until June 30, 1952. Such records and accounts shall be subject to examination by the Director during the Diverter's usual hours of business for the purpose of assisting said Director in the performance of his duties with respect to this offer, including the verification of the information furnished by the Diverter. The Diverter shall, from time to time, furnish such information to the Director as may be requested by him, and the determination of the Director as to the relevancy of the information requested or the examination of such records and accounts to the proper performance of the contract resulting from this offer shall be final and conclusive.

§ 518.174 *Reports.* Each Diverter who makes prune juice in the State of California shall file directly with or mail to the Chief, Western Marketing Field Office, Fruit and Vegetable Branch, Production and Marketing Administration, United States Department of Agriculture, 2180 Milvia Street, Berkeley 1, California, a diversion report covering each calendar month. Each such report shall show the total quantity of each size of dried prunes so diverted, specifying whether such quantity is natural condition or processed weight, with respect to which a separate rate is provided in § 518.162. Each report shall be filed not later than the fifth working day following the end of the report period to which it refers.

§ 518.175 *Set-off.* The Director may set-off, against any amount owed to any

Diverter hereunder, any amount owed by such Diverter to Commodity Credit Corporation, United States Department of Agriculture, or any other agency of the United States.

§ 518.176 *Assignment.* No Diverter shall, without the written consent of the Director, assign any right of the Diverter against the Secretary hereunder or make a lienholder a joint payee with respect to any such right. With such consent a Diverter may assign, in accordance with the provisions of the Assignment of Claims Act of 1940, any claim for payment hereunder or make a lienholder a joint payee with respect to any such claim: *Provided*, That no such assignment or provision for joint payee shall affect or waive the rights of the Director to set-off, pursuant to § 518.175, against any claim of the Diverter hereunder.

§ 518.177 *Amendment and termination.* This offer may be amended or terminated by the Director at any time by public announcement of such amendment or termination. Such amendment or termination shall not affect any of the rights which have accrued to either party at the time and date the amendment or termination becomes effective and shall not affect any contract to sell for diversion which was entered into prior to the effective time and date of such amendment or termination.

§ 518.178 *Definitions.* As used in this offer, the following terms have the following meanings:

(a) "Secretary" means the Secretary of Agriculture of the United States.

(b) "Director" means the Director, Fruit and Vegetable Branch, Production and Marketing Administration, United States Department of Agriculture, or any authorized representative of the Secretary within such Branch to whom the Director has subdelegated authority to perform the functions herein delegated to him.

(c) "Natural condition weight" means the weight of dried prunes which have not been processed.

(d) "Processed weight" means the weight of dried prunes which have been cleaned, or treated with water or steam: *Provided*, That dried prunes shall not be deemed to be of processed weight at the time they are cleaned by a producer or a dehydrator in the course of preparing them for delivery to another person for processing.

(e) "Diverter" is (1) any person who manufactures prune juice in the State of California from California dried prunes produced by him or acquired by him from producers and who also holds, with respect to such dried prunes, an approved application, or (2) any person, other than a producer, who ships California dried prunes for the manufacture of prune juice by himself to any point in the continental United States excluding California or who ships such prunes to another person for such manufacture at any point in the continental United States, and who also holds, with respect to such prunes, an approved application.

(f) "Diversion" means the initial processing of dried prunes in the manufacture of prune juice by rasping, grinding, macerating, cutting, cooking, or by any other means which the Director finds will preclude the reentry of such dried prunes into the normal channels of trade and commerce in the form of whole dried prunes.

(g) "Sales contracts" includes a contract to sell, and the contract shall consist of a written instrument signed by a prune juice manufacturer and a Diverter or a written offer and acceptance evidenced by an exchange of telegrams or letters.

(h) "Public announcement" means the issuance of a press release or the publication of a notice in the FEDERAL REGISTER.

(i) "File" means transmit or deliver to the Director or the Chief, Western Marketing Field Office, Fruit and Vegetable Branch, Production and Marketing Administration, United States Department of Agriculture, 2180 Milvia Street, Berkeley 1, California, as the case may be, and such act shall be deemed to have been accomplished at the time: (1) of actual receipt by said Director or Chief in the event of personal delivery; (2) of receipt at the office of the telegraph company, in case submission is by telegram; or (3) shown by the postmark, in case submission is by mail.

§ 518.179 *Information and forms.* Information pertaining to the operation of this program and forms prescribed for use thereunder can be obtained from the following:

E. M. Graham, U. S. Department of Agriculture, Fruit and Vegetable Branch, Washington 25, D. C.

R. M. Walker, 2180 Milvia Street, Berkeley 1, California.

Effective date. This offer shall be effective on October 3, 1949.

NOTE: The record keeping and reporting requirements contained herein have been approved by, and subsequent reporting requirements will be subject to the approval of, the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Dated this 14th day of November 1949.

[SEAL] C. F. KUNKEL,
Authorized Representative of
the Secretary of Agriculture.

Budget Bureau Approval No. 40-R2043
Approval expires March 31, 1950

APPLICATION TO PARTICIPATE IN DRIED PRUNE
DIVERSION PROGRAM

(Fiscal Year 1950)

We, the undersigned, hereby apply for participation in the Dried Prune Diversion Program (Fiscal Year 1950) subject to the attached terms and conditions.

We certify that the following information is true and correct to the best of our knowledge and belief:

(a) During the period September 1, 1948, to August 31, 1949, both dates inclusive, we used in the manufacture of prune juice in California ----- tons, natural condition weight, of California dried prunes produced by us or acquired by us from producers, and/or

(b) During the period September 1, 1948, to August 31, 1949, both dates inclusive, we shipped ----- tons, processed weight, of

California dried prunes to manufacturers known to us as manufacturers of prune juice in the continental United States.

Quantity of dried prunes covered by this application: ----- tons, natural condition weight.

(Date) (Name of applicant)
By -----
Title -----

Approved this ----- day of -----, 1949.

Director,
Fruit and Vegetable Branch.

[F. R. Doc. 49-9118; Filed, Nov. 16, 1949;
8:51 a. m.]

PART 518—FRUITS AND BERRIES, DRIED, AND PROCESSED

SUBPART—FRESH AND PROCESSED ORANGES EXPORT PROGRAM (FISCAL YEAR 1950)

Sec.

- 518.185 General statement.
- 518.186 Approved countries.
- 518.187 Rates of payment.
- 518.188 Eligibility for payment.
- 518.189 Claims supported by proof of exportation.
- 518.190 Records and accounts.
- 518.191 Amendment and termination.
- 518.192 Persons not eligible.
- 518.193 Definitions.

AUTHORITY: §§ 518.185 to 518.193 issued under sec. 32, 49 Stat. 774, as amended; 7 U. S. C. and Sup., 612c.

§ 518.185 *General statement.* (a) In order to encourage the exportation of fresh and processed oranges produced in the United States, the Secretary of Agriculture, pursuant to the authority conferred by section 32 of Public Law 320, 74th Congress, as amended, and section 112 (f) of the Foreign Assistance Act of 1948, offers to make payments to U. S. exporters of such products as defined in paragraph (b) of this section which are sold for export to an approved country as designated in § 518.186, subject to the terms and conditions hereinafter set forth.

(b) Payments under this offer will be limited to the following products: packed fresh oranges, canned concentrated orange juice of 60° or more Brix, and canned single-strength orange juice.

(c) Information pertaining to the operation of this program and forms prescribed for use thereunder may be obtained from the following representatives of the Secretary designated for each area from which the products originate:

California and Arizona: M. T. Coogan, Fruit and Vegetable Branch, PMA, U. S. Department of Agriculture, 1206 Santee St., 12th Floor, Los Angeles 15, California.

Florida: M. F. Miller, Fruit and Vegetable Branch, PMA, U. S. Department of Agriculture, P. O. Box 19, Lakeland, Florida.

Texas: Paul A. Nicholson, Fruit and Vegetable Branch, PMA, U. S. Department of Agriculture, Washington 25, D. C.

§ 518.186 *Approved countries.* An approved country shall be one of the following countries and territories, excluding dependent areas under their administration:

Austria.
Belgium.
Denmark.
France.
Germany: Bizone.
Germany: French Zone.
Greece.
Iceland.
Ireland.

Italy.
Luxembourg.
Netherlands.
Norway.
Portugal.
Sweden.
Switzerland.
Trieste.
Turkey.
United Kingdom.

§ 518.187 *Rates of payment.* The rate of payment shall be fifty (50) percent of the export sales price, computed before the deduction of such payment, basis free alongside ship United States port: *Provided, however,* That such payment shall not be in excess of fifty (50) percent of the domestic market price at the time of sale and place of delivery, as determined by the Secretary, or his authorized representative: *And provided, further,* That, the place of delivery, for the purpose of determining the domestic market price at the time of sale, shall be a United States port of export which is on the seaboard nearest the area of production from which the fruit originates. Such payment, however, shall not exceed:

- \$1.65 per 1½ bushel box of California and Arizona fresh oranges.
- \$1.50 per 1½ bushel box of Texas fresh oranges;
- \$1.25 per 1½ bushel box of Florida fresh oranges;
- \$1.45 per gallon can or its equivalent of concentrated orange juice of 60° or more Brix;
- \$1.05 per case of 24 No. 2 cans of single strength orange juice; and
- \$1.20 per case of 12 No. 3 cylinder cans of single strength orange juice.

The total amount invoiced the foreign buyer and the Secretary shall not exceed the export sales price as described herein.

§ 518.188 *Eligibility for payment.* (a) No payment will be made hereunder, unless the exporter executes and files Form FV-430, "Notice of Intention to File Claim under Orange Export Program QMX 7a" with the designated representative of the Secretary for the area of origin of the products to be exported as indicated in § 518.185. A separate form must be filed for each anticipated claim by mail, postmarked not later than 48 hours after the date of the export sale or the date on which the exporter receives the buyer's acceptance of the offer to sell and, in any event, not later than June 17, 1950. No payment will be made if such form is mailed after such 48-hour period, and no payment will be made in excess of the sum to be billed the Secretary as shown in the executed Form FV-430, unless the Secretary or his representative, upon written request by the exporter, stating his reasons therefor, waives such delay in filing or approves such greater amount. The Secretary or his representative will notify the exporter as promptly as possible after receipt of any executed Form FV-430 if any information shown in such form does not conform with the terms and conditions of this offer.

(b) Payment shall be made hereunder only with respect to fresh and processed products sold for export which conform with the following requirements:

(1) *Grades.* (i) Florida or Texas fresh oranges shall meet the require-

ments for Standard Pack provided that such fruit shall be individually wrapped, or packed in boxes lined with diphenyl paper, or blind packed, i. e., fruit on the top, bottom, and sides of the box shall be individually wrapped. When wrapped, each fruit shall be fairly well enclosed in its individual wrapper. The fruit shall also meet the requirements for U. S. No. 2 Grade or better, as defined in the latest "U. S. Standards for Oranges" and shall also meet the following standards for export: Not more than a total of 10 percent, by count, of the fruit in any container shall be soft, affected by decay, damaged by skin breakdown, have broken skins which are not healed, growth cracks, damage by creasing, or serious damage by dryness or mushy condition, except that:

- Not more than 5 percent of the fruit shall be soft;
- Not more than ½ of one percent of the fruit shall be affected by decay;
- Not more than 5 percent of the fruit shall be damaged by skin breakdown;
- Not more than 3 percent of the fruit shall have broken skins which are not healed;
- Not more than 3 percent of the fruit shall have growth cracks;
- Not more than 5 percent of the fruit shall be damaged by creasing; and
- Not more than 5 percent of the fruit shall be seriously damaged by dryness or mushy condition.

Any lot of oranges shall be considered as meeting the standards for export if the entire lot averages within the requirements specified: *Provided,* That no sample from the containers in any lot shall have more than double the percentage specified for any one defect, and that not more than a total of 10 percent, by count, of the oranges in any container has any of the defects enumerated in the standards for export.

(ii) California or Arizona oranges shall meet the requirements for Standard Pack, and for U. S. No. 2 Grade or better, and also the Standards for Export, as defined in the latest "U. S. Standards for California and Arizona Oranges."

(iii) Canned processed orange juices shall meet the requirements for U. S. Grade A as defined in the latest respective "United States Standards." Cans shall be sound and clean, free from rust and serious dents.

(2) *Inspection.* Exporters shall be required to furnish certificates of inspection for each lot of fresh or processed products sold for export pursuant to this offer. Such certificates for fresh fruit shall be issued by representatives of the Federal or Federal-State Inspection Services and for processed products by representatives of the Processed Products Standardization and Inspection Division, Fruit and Vegetable Branch, Production and Marketing Administration, U. S. Department of Agriculture. Inspection must be performed immediately prior to loading for shipment to the port of exportation.

(3) *Shipping containers.* All products shall be packed in cases or boxes acceptable for export shipment in accordance with standard commercial practice for export. The best known practices to prevent shrinkage and decay shall be

followed in packing fresh oranges for export shipment.

(c) No payment hereunder will be made in connection with any sale for export unless the sales contract is entered into on or after the effective date hereof and prior to 12:00 o'clock midnight, e. s. t., June 15, 1950, and unless the product is exported pursuant to such sale on or after the date of such sales contract and prior to 12:00 o'clock midnight, e. s. t., June 25, 1950. The sales contract must show the date of sale, sales price free alongside ship United States port, quantity and description of the product, and country of destination.

(d) The exporter shall undertake, as a part of his "Notice of Intention to File Claim under Orange Export Program QMX 7a" that the commodity exported under this program will thereafter not reenter the United States or its territories or possessions, or be diverted to other than an eligible country as listed in § 518.186 in fresh or processed form (including damaged fruit or juice and salvage therefrom). In the event of such reentry or diversion to other than an eligible country, the exporter shall refund to the Secretary any export payment received under this program with respect to the quantity involved in such reentry or diversion.

§ 518.189 *Claims supported by proof of exportation.* (a) The exporter shall file a separate claim for payment for each export sale hereunder with the area representative of the Secretary with whom he filed Form FV-430, "Notice of Intention," not later than July 10, 1950: *Provided*, That, upon request of the exporter indicating his reasons therefor, the Secretary, or his representative, may, if he deems it desirable, grant an extension of time for such filing. Each claim for payment shall be filed in an original and three copies on voucher form FDA-564, "Public Voucher—Diversion Programs," and shall be supported by (1) two certified copies of the sales contract, (2) two certified copies of the sales invoice to the buyer, (3) two copies of the ocean on-board bill of lading signed by an agent of the steamship company, (4) the original and one copy of the inspection certificate required in paragraph (b) (2) of § 518.188, and (5) such other documents, if any, as may be required by the Secretary, or his representative, evidencing sale and exportation of the product on which payment is claimed.

(b) The on-board bill of lading must show the quantity and description of the product, the date and place of loading on vessel, the destination of the product, and the name and address of both the exporter and consignee. If the shipper or consignor named in such bill of lading is other than the exporter (seller) named in the sales contract, the exporter shall furnish with his claim a waiver by such shipper or consignor, in favor of such exporter, of any right to claim payment under this program for the product covered by such bill of lading.

§ 518.190 *Records and accounts.* The exporter shall maintain adequate records showing purchases, sales, and deliveries of the products exported or to be ex-

ported in connection with this program. Such records, accounts, and other documents relating to any transaction in connection with this program shall be available during regular business hours for inspection and audit by authorized employees of the United States Department of Agriculture, and shall be preserved for two years after the effective date of this offer.

§ 518.191 *Amendment and termination.* The Secretary may amend this program at any time upon public announcement of such amendment, or may terminate this program at any time by giving five days public notice thereof; such amendment or termination, however, shall not apply to sales made and declared under the program prior to the effective date of such amendment or termination.

§ 518.192 *Persons not eligible.* No member of or delegate to Congress, or resident Commissioner, shall be admitted to any share or part of any payment made under this program or to any benefit that may arise therefrom, but this provision shall not be construed to extend to a payment made to a corporation for its general benefit.

§ 518.193 *Definitions.* As used herein, the following terms have the following meanings:

(a) "Secretary" means the Secretary of the United States Department of Agriculture, or any authorized representative of the Secretary.

(b) "Exporter" means any individual, corporation, partnership, association, or other business entity engaged in the business of selling for export fresh or processed oranges produced and packed in the continental United States.

(c) "Sale" or "sales contract" includes a contract to sell. The contract shall consist of a written instrument signed by buyer and seller or a written offer and acceptance evidenced by an exchange of telegrams, cablegrams, or letters.

(d) "Date of sale" means the date on which both buyer and seller signed a written contract or the date on which there was a written acceptance of a written offer or counteroffer to buy or sell, except that, where the contract is signed or the acceptance takes place during the period this offer is in effect, but the contract or acceptance is intended to take effect either before or after such period, the date of sale shall be the date on which the contract or acceptance is intended to take effect, as determined by the Secretary.

(e) "Date of export" of any lot shall be considered to be the date of the ocean on-board bill of lading covering such lot.

(f) "Public announcement" and "public notice" mean the issuance of a press release or the publication of a notice in the FEDERAL REGISTER.

NOTE: The record keeping and reporting requirements contained herein have been approved by, and subsequent reporting requirements will be subject to the approval of, the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

Effective date. This program shall be effective on November 21, 1949.

Dated this 14th day of November 1949.

[SEAL] C. F. KUNKEL,
Authorized Representative of
the Secretary of Agriculture.

[F. R. Doc. 49-9117; Filed, Nov. 16, 1949;
8:51 a. m.]

TITLE 7—AGRICULTURE

Chapter III—Bureau of Entomology and Plant Quarantine, Department of Agriculture

[B. E. P. Q. 583]

PART 319—FOREIGN QUARANTINE NOTICES

ADMINISTRATIVE INSTRUCTIONS FOR COLD TREATMENTS OF IMPORTED VINIFERA GRAPES AND CERTAIN OTHER FRUITS

On October 15, 1949, notice of proposed issuance of administrative instructions to be designated as 7 CFR 319.56-2d relating to cold treatments of imported Vinifera grapes and certain other fruits was published in the FEDERAL REGISTER (14 F. R. 6292). After due consideration of all relevant matters presented, including the proposals set forth in the aforesaid notice, the Chief of the Bureau of Entomology and Plant Quarantine, pursuant to the authority conferred upon him by § 319.56-2 of the regulations supplemental to the Fruit and Vegetable Quarantine (7 CFR 319.56-2) under section 5 of the Plant Quarantine Act of 1912, as amended (7 U. S. C. 159), hereby issues administrative instructions to appear as § 319.56-2d in Title 7, Code of Federal Regulations, as follows:

§ 319.56-2d *Administrative instructions for cold treatments of imported Vinifera grapes and certain other fruits—(a) Treatments authorized.* The following cold treatments are authorized for imported Vinifera grapes and any other fresh fruits enterable under § 319.56-2 under permit and upon compliance with applicable regulations in this subpart:

(1) *Phases of treatments.* Authorized cold treatments shall consist of (i) precooling, during which the fruit shall be cooled until its pulp temperature is at or below a level designated in or under this paragraph and (ii) refrigeration, during which the fruit shall be held at or below this level for a number of days designated in or under this paragraph.

(2) *Refrigeration temperatures and periods.* Fruit cold treated because of the Mediterranean fruitfly shall be refrigerated for a period of 12 days at or below 34° F., or for 16 days at or below 36° F. Fruit cold treated because of fruitflies of the genus *Anastrepha* shall be refrigerated for a period of 16 days at or below 33° F., or for 18 days at or below 34° F., or for 20 days at or below 35° F. Refrigeration temperatures and periods for fruit to be cold treated because of other species of fruitflies may be designated by the Chief of the Bureau of Entomology and Plant Quarantine, if experimental data are available concerning applicable treatments of known effectiveness.

(b) *Place and manner of treatments—*
(1) *Places of precooling and refrigeration.* Refrigeration may be conducted

while the fruit is on shipboard in transit to the United States. If not so refrigerated, the fruit shall be both precooled and refrigerated after arrival only in cold storage warehouses approved by the Chief of the Bureau of Entomology and Plant Quarantine and located at the port of New York or such other northern ports as he may hereafter designate. Fruit which is to be refrigerated in transit shall be precooled either at a dockside refrigeration plant prior to loading aboard the carrying vessel, or aboard the carrying vessel prior to its departure. Refrigeration shall be completed in the compartment or room in which it is begun.

(2) *Precooling of fruit before departure.* Fruit which is to be refrigerated in transit must be precooled to the temperature designated in or under paragraph (a) of this section before it leaves the port of shipment in the country of its origin and a certificate to that effect, issued by a responsible official of the Department of Agriculture of such country shall accompany each cargo of the fruit to its destination. The precooling may be conducted in accordance with either subdivisions (i) or (ii) of this subparagraph:

(i) Fruit may be precooled at a dockside refrigeration plant prior to loading aboard the carrying vessel. Such fruit shall be precooled to a temperature at which it can be transferred to the refrigerated compartments on such vessel without a rise above the maximum temperature prescribed in or under paragraph (a) of this section. The certifying official shall sample fruit temperatures in all sections of the lot of fruit until he is satisfied that complete precooling has been accomplished in accordance with this section. As the loading proceeds the certifying official shall take frequent temperature readings of individual boxes of fruit. A record of such temperature readings shall accompany the certificate.

(ii) Fruit may be precooled aboard the carrying vessel. Such fruit shall be precooled in the same refrigerated compartments in which it is to be refrigerated. The boxes of the fruit shall be spaced, by horizontal wooden strips, so that each has at least one inch of clearance above and below to allow free circulation of the cooling air. At least two inches of clearance shall be allowed between stacks of the fruit. The certifying official shall sample fruit temperatures in all sections of the compartment until he is satisfied that complete precooling has been accomplished. The entire precooling must be completed as provided in these instructions and the certificate issued before the carrying vessel leaves the country of origin.

(3) *Refrigeration in transit.* (i) Refrigeration in transit shall consist of holding the fruit temperature at or below the maximum temperature level for the number of days prescribed in or under paragraph (a) of this section. A continuous, automatic temperature record under lock shall be maintained from at least four locations to be designated in each refrigerated compartment by an inspector of the Bureau of Entomology and Plant Quarantine. In large refrigerated compartments additional temperature

elements may be required. Vessels whose temperature recording apparatus of less than four elements per compartment has already been approved by the Chief of such Bureau may be allowed to continue with their present equipment. Charts from the temperature recording apparatus shall be made readily available to an inspector of such Bureau at the port of arrival.

(ii) Refrigeration shall begin when the loading of precooled fruit has been completed or when the certifying official is satisfied that precooling aboard the vessel has been completed. The certifying official shall designate and initial on the thermograph chart the beginning of the refrigeration period. Refrigeration shall continue until the vessel arrives at the port of destination and the fruit is released for unloading by an inspector of the Bureau of Entomology and Plant Quarantine, even though this may prolong the refrigeration beyond the required period.

(4) *Safeguarding untreated fruit.* Whenever fruit is offered for entry as cold treated in transit and it cannot be established to the satisfaction of such inspector that the fruit has received the required cold treatment, such safeguards against the spread of fruitfly infestation as the inspector may prescribe shall be immediately applied.

(5) *Cold treatment after arrival.* (i) Fruit to be both precooled and refrigerated after arrival in the United States shall be delivered under the supervision of an inspector of the Bureau of Entomology and Plant Quarantine to the approved cold storage warehouse where such treatment is to be conducted.

(ii) The fruit must arrive at a temperature sufficiently low to prevent insect activity and shall be promptly precooled and refrigerated. An automatic, continuous temperature record is required of each refrigeration, like that prescribed in subparagraph (3) of this paragraph for refrigeration in transit. The number of records required will be designated by the inspector for each refrigeration, depending upon the circumstances of each operation.

(iii) Shipments offered for entry before cold treatment may be allowed to leave customs custody under redelivery bond for cold treatment. Final release of the shipment by the Collector of Customs will be effected after the inspector has notified the Collector of Customs that the required cold treatment has been given.

(6) *Containers and season of arrival.* There are no restrictions on the types of containers in which fruit may be packed, nor on the season of the year during which shipments may be made. Untreated fruit arriving in broken containers must be immediately repacked under the supervision of an inspector or the contents must be immediately destroyed in a manner satisfactory to the inspector.

(7) *Procedures in country of origin.* (i) By arrangement between the Chief of the Bureau of Entomology and Plant Quarantine and the equivalent official in the country of origin, certifying officials will be designated by the country of origin. Their signatures shall be filed

with the Bureau of Entomology and Plant Quarantine.

(ii) Each container of fruit intended for intransit refrigeration shall be stamped or marked as it is loaded on the carrying vessel so that it can be readily identified as such. Fruit being shipped under permit to be completely cold treated at the Port of New York or other subsequently designated northern ports shall not be so marked.

(iii) Fruit precooled at a dockside refrigeration plant shall be transferred to the refrigerated compartments on the carrying vessel without a rise in temperature above the maximum for the desired refrigeration. When this transfer has been accomplished, the certifying official shall issue a certificate of precooling.

(iv) Fruit to be precooled on the carrying vessel in the refrigerated compartments shall be loaded under supervision of the certifying official to assure that all packages have the proper clearance on all sides. When precooling has been completed, a certificate of precooling shall be issued by such official.

(v) Fruit in transit for cold treatment after arrival shall be loaded in a separate compartment and segregated from any fruit that is being refrigerated in transit.

(vi) Fruit not intended for any phase of cold treatment shall not be loaded in the same refrigerated compartment with fruit to be given such cold treatment.

(vii) The certifying official shall calibrate the elements of the temperature recording instruments not more than 3 days prior to the loading of fruit, by immersing them in a 32° F. mixture of crushed ice and water, and recording their deviation from 32° F. He shall also supervise the placement of the temperature elements in the proper places in the cargo of fruit.

(viii) The certificate of precooling shall be issued in quadruplicate, to cover the cargo of one vessel. The original certificate shall be airmailed to the inspector of the Bureau of Entomology and Plant Quarantine in charge at the port of destination. One copy shall accompany the carrying vessel. The third copy shall be mailed to the Bureau of Entomology and Plant Quarantine, United States Department of Agriculture, Washington 25, D. C. A record showing calibration of the elements of the temperature recording instruments, as required in subdivision (vii) of this subparagraph shall be attached to each certificate, along with any record of the fruit temperature readings required in subparagraph (2) (i) of this paragraph. The certificate shall also show the identifying stamp or mark placed on all containers of fruit undergoing intransit refrigeration.

(c) *Approval of precooling plants, refrigerated compartments, warehouses.* All precooling plants in the country of origin, the refrigerated compartments on the carrying vessels, and cold storage warehouses at the Port of New York or subsequently designated northern ports must have prior approval of the Chief of the Bureau of Entomology and Plant Quarantine before any phase of cold treatment is begun. Requests for such approval shall be made to Import and Permit Section, Bureau of Entomology

and Plant Quarantine, 209 River Street, Hoboken, New Jersey.¹

(d) *Caution and disclaimer.* In prescribing cold treatments of Vinifera grapes and certain other fruits, it should be emphasized that inexactness and carelessness in applying the treatments may result in injury to the fruit, or its rejection for entry. The cold treatments required for the entry of fruit are considered necessary for the elimination of pest risk, and no liability shall attach to the United States Department of Agriculture or to any officer or representative of that Department in the event injury results to fruit offered for entry in accordance with these instructions.

The foregoing instructions supersede the administrative instructions in B. E. P. Q. Nos. 463 and 464 (7 CFR 319.56-2d and 319.56-2e).

This section shall be effective on and after November 17, 1949.

(Sec. 3, 33 Stat. 1270, sec. 9, 37 Stat. 318; 7 U. S. C. 143, 162)

The purpose of the foregoing instructions is to combine in one document all instructions for cold treatments of Vinifera grapes and certain other fruits imported under permit in accordance with the regulations supplemental to the Fruit and Vegetable Quarantine. The foregoing instructions also authorize the cold treatment of all enterable fruit, whereas previous instructions applied only to Vinifera grapes and certain other deciduous fruit. In addition, the foregoing instructions authorize alternative schedules for treating such fruits and remove both the date restrictions on the entry of fruit for cold treatments at the Port of New York and the limitations on types of containers in which such fruit must arrive.

By authorizing cold treatment of all enterable fruits, providing treatments alternative to those previously available, and removing limitations on the dates of entry and types of containers, these instructions remove restrictions previously imposed. Moreover, they impose no new restrictions not now in force. Accordingly, they are within the exception in section 4 (c) of the Administrative Procedure Act (5 U. S. C. 1003 (a)) and may properly be made effective less than 30 days after their publication in the FEDERAL REGISTER.

Done at Washington, D. C., this 8th day of November, 1949.

[SEAL] P. N. ANNAND,
Chief, Bureau of Entomology
and Plant Quarantine.

[F. R. Doc. 49-9260; Filed, Nov. 16, 1949;
8:52 a. m.]

TITLE 14—CIVIL AVIATION

Chapter I—Civil Aeronautics Board

PART 4b—AIRPLANE AIRWORTHINESS; TRANSPORT CATEGORIES

Correction

In the republication of Title 14, Chapter I, appearing in Part II, Section 1, of

¹ Applications for permits to import fruit under this subpart may also be made to said Import and Permit Section.

the issue for Saturday, July 16, 1949, the following changes should be made:

1. On page 4107, § 4b.56, the equation in the sixth line should read

$$V_t \sqrt{p/p_0} = V_t \sqrt{0}$$

2. On page 4113, § 4b.189, column 1, line 11, the expression "V-n" should read " $\sqrt{n}$ ".

3. On page 4113, § 4b.192, line 8, "(W/S)^{3/4}," should read "(W/S)^{3/4}".

4. On page 4114, § 4b.202 (b) (2), the expression "S₀" (in parentheses) should read "S_v".

5. On page 4118, § 4b.269 (b), the expression "W_s" in the ninth line, should read "W_e".

6. On page 4124, § 4b.373 (b), the equation should read

$$W_e = W \left(\frac{h + (1-L)d}{h+d} \right)$$

7. On page 4142, § 4b.511 (a), line 13 should be changed to read "livery pressure, a connection shall be".

Chapter II—Civil Aeronautics Administration, Department of Commerce

PART 601—DESIGNATION OF CONTROL AREAS, CONTROL ZONES, AND REPORTING POINTS

Correction

In the republication of Title 14, Chapter II, appearing in Part II, section 2, of the issue for Saturday, July 16, 1949, the following changes should be made:

1. In the sixth line of § 601.9, the sections should read "§§ 601.10-601.1980," instead of "§§ 601.10-601.1155."

2. In the third line of § 601.10, the sections should read "§§ 601.11-601.1980," instead of "§§ 601.11-601.1155."

TITLE 32—NATIONAL DEFENSE

Chapter VII—Department of the Air Force

Subchapter F—Reserve Forces

PART 862—AIR RESERVE OFFICERS' TRAINING CORPS

DENTAL OFFICER PROCUREMENT; SENIOR STUDENT PROGRAM

Pursuant to the authority conferred by sections 207 (f) and 208 (e) of the National Security Act (61 Stat. 503, 504; 5 U. S. C. Sup. II, 626 (f), 626c (e), Transfer Order 10, April 27, 1948 (13 F. R. 2428), and cited laws, the following regulation is hereby prescribed:

DENTAL OFFICER PROCUREMENT; SENIOR STUDENT PROGRAM

Sec.
862.35 General.
862.36 Eligibility.
862.37 Applications.
862.38 Selection.

AUTHORITY: §§ 862.35 to 862.38 issued under sec. 37, 39 Stat. 189, as amended, sec. 5, 53 Stat. 557; 10 U. S. C. 851-853, 361, 369, 369a. DERIVATION: AFL 45-15, August 31, 1949.

§ 862.35 *General.* To alleviate the shortage of dental officers for the period July 1, 1950, to July 1, 1952, 150 senior

students will be enrolled in this program as second lieutenants, Air Force Medical Service Corps Reserve, on active duty and receive such pay and allowances during the remainder of the senior year. (Tuition and related costs are not provided by this program.) Immediately upon graduation, those accepted for a Reserve appointment will terminate their Air Force Medical Service Corps appointment and accept an appointment as first lieutenant, Air Force Dental Corps Reserve. The officer will then serve two years on active duty. This period is to be exclusive of any time spent in a formal training program in which an officer may apply for and be selected. In those schools having Reserve Officers' Training Corps programs, students in good standing in the Reserve Officers' Training Corps program will be given preference in selection for the Senior Student Program, and these students must continue to meet all Reserve Officers' Training Corps requirements during the senior year. Reserve Officers' Training Corps enrollees will lose monetary allowances provided from Reserve Officers' Training Corps funds, inasmuch as dual compensation is illegal. Veterans receiving educational benefits under Public Law 346, 78th Congress (58 Stat. 284; 38 U. S. C. 701) may continue to receive such benefits, less subsistence allowance.

§ 862.36 *Eligibility.* All eligible senior students currently enrolled in dental schools approved by the Secretary of the Air Force may apply for this program. Each candidate must:

(a) Be a citizen of the United States. Candidates who are not citizens of the United States by birth must provide evidence of citizenship. This may be in the form of a sworn or attested certificate by an officer of the Department of Defense or a notary public. Facsimiles or copies, photographic or otherwise, of naturalization certificates will not be made.

(b) Have reached his 21st birthday, but not have passed his 32d birthday on date of appointment.

(c) Be qualified physically for active military service by meeting the physical standards prescribed by current regulations as determined by final type physical examination.

(d) Be of high moral character.

(e) Have a record free of conviction by any type of military or civilian court for other than a minor traffic violation. Request for waiver may be made in the case of other minor violations which are nonrecurrent and which are not deemed prejudicial to performance of duty as an officer. Granting of a waiver will not be considered in the case of any individual who has been convicted of a crime involving moral turpitude.

(f) Not be a conscientious objector. If an individual has been a conscientious objector, he will be required to furnish an affidavit which will express his abandonment of such beliefs and principles so far as they pertain to his willingness to bear arms and to give full and unqualified military service to the United States, and where appropriate, he must have demonstrated that he has changed his views by subsequent military service.

(g) Not have been separated from any of the armed forces under other than honorable conditions.

(h) Not be nor have been a member of any foreign or domestic organization, association, movement, group, or combination of persons advocating subversive policy or seeking to alter the form of Government of the United States by unconstitutional means. An entry to this effect, as required by § 886.1 (b) of this chapter, will be made in the remarks section of Air Force Form 24 (Application for Appointment in the United States Air Force Reserve).

(i) Have successfully completed the junior year of dental school, be eligible to enroll for the senior year, and at the time of appointment, must be enrolled in his senior year.

§ 862.37 Applications—(a) Forms. Application will consist of the following:

(1) *Air Force Form 24*. Air Force Form 24, Application for Appointment in the United States Air Force Reserve, will be submitted in triplicate. The words "Senior Dental Student" will be written in the upper left-hand corner on the face of each sheet. The remarks section (item 30 or an attached sheet) will contain the following statements by the applicant:

(i) This application is submitted for acceptance into the Senior Dental Student Program, and I understand that by serving as a second lieutenant, Air Force Medical Service Corps Reserve, on active duty, during my senior year in dental school, I agree immediately upon graduation to be transferred to the Air Force Dental Corps Reserve as a first lieutenant, and serve on extended active duty as a dental officer for two years, exclusive of any time spent in a formal training program for which I may apply and be selected.

(ii) At the present time I do (do not) hold a Reserve commission in the _____ (Branch). (If "do," give grade and service number.) If currently commissioned as an Air Force Reserve officer, I agree that if I am selected for this program, this application will serve as my tender of resignation for such commission, and upon its arrival I will accept a commission as a second lieutenant, Air Force Medical Service Corps Reserve.

(iii) I am (am not) enrolled in the Dental Reserve Officers' Training Corps Program, and will complete Reserve Officers' Training Corps summer training on or about _____.

(iv) I have successfully completed my junior year at _____ Dental School, and expect to enroll at _____ Dental School for my senior year on or about _____, and to be graduated on or about _____.

(v) I was (was not) discharged from military service for medical reason. (If "was," state reason.)

(vi) I was (was not) hospitalized during military service. (If "was," state reason and duration of hospitalization, giving inclusive dates.)

(vii) I was (was not) rejected for military service. (If "was," applicant must obtain photostatic copies of medical physical examination from the State Se-

lective Service headquarters and forward it with his application.)

(2) *DA AGO Form 643A*. DA AGO Form 643A, Personal History Statement, will be submitted in duplicate.

(3) *Air Force Form 125*. One copy of Air Force Form 125, Application for Extended Active Duty with the United States Air Force, will be submitted. Students who submit applications for entering this program will check "yes" in space 20, and will enter the following statement in the remarks section or on an attached sheet:

If selected for participation in the Senior Dental Student Program, I will serve on extended active duty in the Air Force Dental Corps Reserve for two years subsequent to receipt of the degree of Doctor of Dental Surgery (or Doctor of Dental Medicine), exclusive of any time spent in a formal training program for which I may apply and be selected.

(4) *Certificate; member of armed forces*. An applicant who is now a member of any branch of the armed forces must attach a certificate, signed by an official authorized to accept resignations or approve discharges, which states that the applicant will be separated from his current Reserve status if tendered an appointment in the United States Air Force Reserve.

(5) *SF 88 and SF 89*. SF 88 and SF 89, Report of Medical Examination and Medical History, accomplished in an Army or Air Force medical installation, which reflects a Regular appointment type physical examination, including chest X-ray, microscopic urinalysis, and serology will be submitted.

(6) *Copies of discharge certificates, etc.* Photostatic copies of all discharge certificates or certificates of service will be included.

(7) *Photograph*. A recent photograph of the applicant, head and shoulder type, approximately 4" x 5", will be submitted.

(b) *Channels of communication*. Applications for the Air Force Senior Student Program will be forwarded through the dean of the school direct to the Surgeon General, United States Air Force, Headquarters United States Air Force, Attention: Chief, Procurement Branch, Washington 25, D. C., to arrive by the earliest date practicable in order that selections can be made and commissions and orders of appointment can be ready for tender to successful applicants as soon as possible after they become eligible by enrolling in dental schools as seniors. Late applications will be considered for remaining vacancies. Upon receipt of the application, the dean of the school in which the applicant completed his junior year will add the following to the application before forwarding to the Surgeon General, United States Air Force:

(1) Transcript of applicant's grades.

(2) Statement that applicant is a candidate for a DDS or DMD degree and is expected to graduate on or about _____.

(3) Statement that applicant has successfully completed his junior year and is expected to enroll as a senior on _____.

(4) Statement that applicant's relative class standing is _____ out of _____ senior students.

(5) Recommendation as to suitability for commission in the Air Force Dental Corps Reserve.

§ 862.38 *Selection*. Applicants will be selected by a board of officers appointed by the Secretary of the Air Force, from those physically and academically qualified. Alternates will also be selected. All applicants will be notified of their status at the earliest practicable date.

Subchapter G—Personnel

PART 886—DISLOYAL OR SUBVERSIVE PERSONNEL

Sec.

886.1 Rejection for military service.

886.2 Grounds for rejection for military service.

AUTHORITY: §§ 886.1 to 886.2 issued under R. S. 161; 5 U. S. C. 22.

DERIVATION: AFR 35-62, May 2, 1949.

§ 886.1 *Rejection for military service*.

(a) In no case will any person who admits, or whose available records show, that he has at any time engaged in disloyal or subversive activities be appointed or enlisted in the Air Force without the specific approval of the Department of the Air Force.

(b) Every applicant for appointment or enlistment in the Air Force will be required to read paragraph 2 of Air Force Regulation 35-62, May 2, 1949. The following entry will be made under "Remarks" on his application for appointment or enlistment and he will be required to initial the word or words lined out (*): "I have read paragraph 2, Air Force Regulation 35-62, May 2, 1949, and certify that I (have) * (have never) * engaged in disloyal or subversive activities as defined therein." If his answer is affirmative, he will be afforded the opportunity to explain in writing.

NOTE: The contents of paragraph 2, Air Force Regulation 35-62, May 2, 1949, is contained in § 886.2.

§ 886.2 *Grounds for rejection for military service*. Activities and associations which may be considered as establishing reasonable grounds for the rejection of persons for military service will include, but are not limited to, one or more of the following:

(a) Sabotage, espionage, or attempts or preparations therefor, or intimate and sympathetic association with or voluntary assistance to persons who the subject of the investigation has reasonable cause to believe may be spies or saboteurs.

(b) Treason, sedition, or writings and acts which reasonably can be considered as intended to encourage seditious or treasonable opinions or actions.

(c) Advocacy of revolution or force or violence to alter the existing constitutional form of Government of the United States; advocacy of revolution or force or violence to bring about economic, political, or social change.

(d) Intentional unauthorized disclosure to any person under circumstances which may indicate disloyalty to the United States, of documents or information of a classified or non-public character.

(e) Acting, attempting to act, or knowingly failing to act when such conduct is calculated to serve the interest of another government in preference to the interests of the United States of America.

(f) Membership in, affiliation or sympathetic association with any foreign or domestic organization, association, movement, group, or combination of persons:

(1) Which practices, seeks to practice or advocates:

(i) Denial, by force, violence, or intimidation, to any person, group of persons, or class of persons within the United

States or Territory subject to its jurisdiction of any right or rights which the Federal Constitution guarantees or protects against encroachment by either or both Federal and State Governments.

(ii) Alteration, through or with the aid of force, violence, or intimidation, of the existing form of government, of the United States or Territory subject to its jurisdiction or of the existing economic, social, or political order within it.

(2) Which (regardless of practice, advocacy, or non-advocacy of any of the tenets set forth in subparagraphs (1) (i) and (ii) of this paragraph, is dis-

closed by investigation or designated by the Attorney General to be totalitarian, fascist, communist, or subversive, or as having adopted a policy of advocating or approving the commission of acts of force or violence to deny persons their rights under the Constitution of the United States, or as seeking to alter the form of Government of the United States by unconstitutional means.

[SEAL]

L. L. JUDGE,
Colonel, U. S. Air Force,
Air Adjutant General.

[F. R. Doc. 49-9240; Filed, Nov. 16, 1949;
8:46 a. m.]

PROPOSED RULE MAKING

FEDERAL TRADE COMMISSION

[16 CFR, Part 115]

[File 203-1]

RUBBER TIRE INDUSTRY

NOTICE OF HEARING

Notice of hearing on fixing quantity limit for replacement rubber tires and tubes to all manufacturers, distributors, dealers and other vendors or purchasers of replacement rubber and synthetic rubber tires and tubes as a class of commodity, and all other parties interested in said class of commodity.

That paragraph of the above-entitled notice of hearing (14 F. R. 6044), as amended (14 F. R. 6776), reading as follows:

(3) That at the time of presenting such data, views or argument in writing, any interested party may present to the Federal Trade Commission a request for opportunity to be heard orally thereon.

is amended by adding thereto the following sentence: "Interested parties so presenting such requests will be heard orally by the Federal Trade Commission in the main hearing room on the fifth floor of the Federal Trade Commission Building,

Pennsylvania Avenue at Sixth Street NW., Washington, D. C., beginning at 10:00 a. m., e. s. t., on the 9th day of January 1950."

Promulgated as of this date in pursuance of the action of the Federal Trade Commission under date of November 9, 1949.

Issued: November 9, 1949.

By the Commission.

D. C. DANIEL,
Secretary.

[F. R. Doc. 49-9253; Filed, Nov. 16, 1949;
8:49 a. m.]

NOTICES

DEPARTMENT OF JUSTICE

Office of Alien Property

[Vesting Order 13979]

ARTHUR ECKOLDT

Correction

In F. R. Document 49-9057, appearing on page 6782 of the issue for Wednesday, November 9, 1949, the name in the caption, and in the third and ninth lines, should appear as set forth above, instead of "Arthur Eckholdt."

DEPARTMENT OF AGRICULTURE

Forest Service

BEAVERHEAD NATIONAL FOREST

ORDER FOR REMOVAL OF TRESPASSING HORSES

Whereas a number of horses are trespassing and grazing on land in the Black Canyon Allotment, Dillon District, Beaverhead National Forest, in the State of Montana; and

Whereas these horses are consuming forage needed for permitted livestock, are causing extra expense to established permittees, and are injuring national forest lands;

Now, therefore, by virtue of the authority vested in the Secretary of Agriculture by the act of June 4, 1897 (30 Stat.

35; 16 U. S. C. 551), and the act of February 1, 1905 (33 Stat. 628, 16 U. S. C. 472), the following order for the occupancy, use, protection, and administration of land in the Black Canyon Allotment, Dillon District, Beaverhead National Forest, is issued:

Temporary closure from livestock grazing. (a) The Black Canyon Allotment, Dillon District, Beaverhead National Forest, is hereby closed from December 1, 1949, to December 31, 1950, to the grazing of horses, excepting those that are lawfully grazing on or crossing land in such allotment pursuant to the regulations of the Secretary of Agriculture, or which are used in connection with operations authorized by such regulations, or used as riding, pack, or draft animals by persons traveling over such land.

(b) Officers of the United States Forest Service are hereby authorized to dispose of, in the most humane manner, all horses found trespassing or grazing in violation of this order.

(c) Public notice of intention to dispose of such horses shall be given by posting notices in public places or advertising in a newspaper of general circulation in the locality in which the Beaverhead National Forest is located.

Done at Washington, D. C., this 10th day of November 1949. Witness my hand

and the seal of the Department of Agriculture.

[SEAL]

K. T. HUTCHINSON,
Acting Secretary of Agriculture.

[F. R. Doc. 49-9249; Filed, Nov. 16, 1949;
8:48 a. m.]

FEDERAL POWER COMMISSION

[Docket No. G-1229]

MONTANA-DAKOTA UTILITIES CO. AND
MONTANA-WYOMING GAS PIPE LINE CO.

ORDER OMITTING INTERMEDIATE DECISION
PROCEDURE AND FIXING DATE FOR FILING
BRIEFS AND FOR ORAL ARGUMENT

On November 3, 1949, during the course of hearings herein, Montana-Dakota Utilities Company and Montana-Wyoming Gas Pipe Line Company, Applicants in the foregoing designated proceedings, pursuant to the provisions of subsection (c) of § 1.30 of the Commission's rules of practice and procedure, moved for waiver of the intermediate decision procedure, but requested the right to file memorandum briefs and have oral argument in this proceeding. There was no objection made by interveners and the Staff of this Commission concurred in the motion.

The Commission finds:

(1) The record shows that unless final action is taken by the Commission prior

to December 31, 1949, the gas purchase contracts and the financial arrangements of Applicants will expire, and unless the intermediate decision procedure is omitted, it appears that a decision by the Commission cannot be rendered before December 31, 1949.

(2) Due and timely execution of its functions imperatively and unavoidably requires that the Commission omit the intermediate decision procedure and render final decision in the proceedings.

The Commission orders:

(A) The intermediate decision procedure in the proceedings herein be and the same is hereby omitted in accordance with the provisions of § 1.30 (c) of the Commission's rules of practice and procedure.

(B) Briefs shall be filed by those parties who are to participate in the argument on or before November 18, 1949, and oral argument be had before the Commission commencing on November 21, 1949, at 10:00 a. m., e. s. t., in the Hearing Room of the Federal Power Commission, 1800 Pennsylvania Avenue NW., Washington, D. C.

Date of issuance: November 10, 1949.

By the Commission.

[SEAL]

LEON M. FUQUAY,
Secretary.

[F. R. Doc. 49-9252; Filed, Nov. 16, 1949;
8:48 a. m.]

[Docket No. G-1293]

OHIO GAS CO.

NOTICE OF APPLICATION

NOVEMBER 10, 1949.

Take notice that on November 1, 1949, Ohio Gas Company (Applicant) an Ohio corporation with its principal office at Bryan, Ohio, filed an application for authorization to abandon and discontinue the sale of natural gas to The Toledo Edison Company for the servicing of its customers at Delta, Ohio.

Applicant states that since June 21, 1939, pursuant to a contract with The Toledo Edison Company for a term of ten years, it has been wholesaling gas to The Toledo Edison Company, and since June 20, 1949 it has continued to furnish gas as before at the same rates and terms pending negotiations between The Toledo Edison Company and Panhandle Eastern Pipe Line Company whereby the supply of gas will be made direct to it from Panhandle Eastern Pipe Line Company.

Applicant further states on information and belief that an agreement has been reached between The Toledo Edison Company and Panhandle Eastern Pipe Line Company whereby on or about November 30, 1949, The Toledo Edison Company will purchase its entire requirements from Panhandle Eastern Pipe Line Company.

Protests or petitions to intervene may be filed with the Federal Power Commission, Washington 25, D. C., in accordance with the rules of practice and procedure (18 CFR 1.8 or 1.10) within 15 days from the date of publication hereof in the FEDERAL REGISTER. The application is on

No. 222—3

file with the Commission for public inspection.

[SEAL]

J. H. GUTRIDE,
Acting Secretary.

[F. R. Doc. 49-9234; Filed, Nov. 16, 1949;
8:45 a. m.]

CIVIL AERONAUTICS BOARD

[Docket No. 3244]

TRANSOCEAN AIR LINES, INC.; ENFORCEMENT
PROCEEDING

NOTICE OF ORAL ARGUMENT

In the matter of the suspension and revocation of Letter of Registration No. 803 issued to Transocean Air Lines, Inc., instituted by a show cause order serial No. E-1105 dated January 6, 1948, issued by the Board.

Notice is hereby given, pursuant to the provisions of the Civil Aeronautics Act of 1938, as amended, that oral argument in the above-entitled proceeding is assigned to be held on December 5, 1949 at 10:00 a. m. (eastern standard time) in Room 5042, Commerce Building, Fourteenth Street and Constitution Avenue NW., Washington, D. C., before the Board.

Dated at Washington, D. C., November 9, 1949.

By the Civil Aeronautics Board.

[SEAL]

M. C. MULLIGAN,
Secretary.

[F. R. Doc. 49-9254; Filed, Nov. 16, 1949;
8:49 a. m.]

[Docket No. SA-203]

ACCIDENT OCCURRING AT AKRON-CANTON
AIRPORT NEAR AKRON, OHIO

NOTICE OF HEARING

In the matter of investigation of accident involving aircraft of United States Registry N-29086, which occurred at Akron-Canton airport, near Akron, Ohio, November 4, 1949.

Notice is hereby given, pursuant to the Civil Aeronautics Act of 1938, as amended, particularly section 702 of said act, in the above-entitled proceeding that hearing is hereby assigned to be held on Thursday, November 17, 1949, at 9:00 a. m. (Local Time) in the Summit County Court House, Akron, Ohio (206 Broadway).

Dated at Washington, D. C., November 10, 1949.

[SEAL]

FRANCIS H. McADAMS,
Presiding Officer.

[F. R. Doc. 49-9250; Filed, Nov. 16, 1949;
8:48 a. m.]

GENERAL SERVICES ADMINISTRATION

[No. 3]

STRATEGIC AND CRITICAL MATERIALS; NEGOTIATION OF CONTRACTS FOR SERVICES

DELEGATION OF AUTHORITY TO BUREAU OF
FEDERAL SUPPLY

Pursuant to the authority vested in me by sections 205 (d) and 307 of the Federal

Property and Administrative Services Act of 1949 (Public Law 152, 81st Congress), authority to negotiate contracts for services in connection with the stock piling of strategic and critical materials is hereby delegated to those contracting officers of the Bureau of Federal Supply who are now, or hereafter may be, authorized to execute contracts in connection with the strategic and critical materials program.

Dated: November 8, 1949.

JESS LARSON,
Administrator.

[F. R. Doc. 49-9255; Filed, Nov. 16, 1949;
8:49 a. m.]

INTERSTATE COMMERCE COMMISSION

[4th Sec. Application 24656]

LIMESTONE FROM GIANT, S. C., TO GEORGIA

APPLICATION FOR RELIEF

NOVEMBER 14, 1949.

The Commission is in receipt of the above-entitled and numbered application for relief from the long-and-short-haul provision of section 4 (1) of the Interstate Commerce Act.

Filed by: R. E. Boyle, Jr., Agent, for and on behalf of carriers parties to Agent C. A. Spaninger's tariff I. C. C. No. 998.

Commodities involved: Limestone and related articles, carloads.

From: Giant, S. C.

To: Points in Georgia.

Grounds for relief: Competition with rail carriers and circuitous routes.

Schedules filed containing proposed rates; C. A. Spaninger's tariff I. C. C. No. 998, Supplement 114.

Any interested person desiring the Commission to hold a hearing upon such application shall request the Commission in writing so to do within 15 days from the date of this notice. As provided by the general rules of practice of the Commission, Rule 73, persons other than applicants should fairly disclose their interest, and the position they intend to take at the hearing with respect to the application. Otherwise the Commission, in its discretion, may proceed to investigate and determine the matters involved in such application without further or formal hearing. If because of an emergency a grant of temporary relief is found to be necessary before the expiration of the 15-day period, a hearing, upon a request filed within that period, may be held subsequently.

By the Commission, Division 2.

[SEAL]

W. P. BARTEL,
Secretary.

[F. R. Doc. 49-9251; Filed, Nov. 16, 1949;
8:48 a. m.]

SECURITIES AND EXCHANGE COMMISSION

SPECIAL OFFERING PLAN

NOTICE DECLARING AMENDED
PLAN EFFECTIVE

The Securities and Exchange Commission having previously declared effective

a plan for special offerings, and certain amendments thereto, filed pursuant to § 240.10b2 (d) (Rule X-10B-2 (d)) by the San Francisco Stock Exchange, and the San Francisco Stock Exchange on October 28, 1949 having filed further amendments to such plan for special offerings;

The Securities and Exchange Commission for good cause finds that the notice and public procedure specified in section 4 (a) and (b) of the Administrative Procedure Act are unnecessary in connection with the consideration of the amendments to this special offering plan, since it is generally similar to plans heretofore declared effective for other national securities exchanges, and the Commission finds further that, paragraph (d) of Rule X-10B-2 being exemptive in nature, such amendments may be declared effective immediately. Therefore the Commission, having given due consideration to the terms of such amended special offering plan, and having due regard for the public interest and for the protection of investors, pursuant to the Securities Exchange Act of 1934, particularly sections 10 (b) and 23 (a) thereof and Rule X-10B-2(d) thereunder, hereby declares the amended special offering plan filed by the San Francisco Stock Exchange on October 28, 1949 to be effective until the close of business on February 28, 1950, on condition that if at any time it appears to the Commission necessary or appropriate in the public interest or for the protection of investors so to do, the Commission may suspend or terminate the effectiveness of said plan by sending at least ten days' written notice to the Exchange. (Effective November 7, 1949.)

Dated: November 4, 1949.

By the Commission.

[SEAL]

ORVAL L. DuBOIS,
Secretary.

NOTE: The special offering plan of this Exchange has been amended in the following respects:

(1) To permit the offeror to allot on a firm basis to member firms engaged in the distributing business, not more than 50% of the securities involved in the offering. Up to this time when buying orders in a special offering exceeded the amount of the offering the entire amount of the offered securities were required to be allocated in reasonably proportionate amounts. Under the amendment only those shares not allotted to member firms on a firm basis must be allocated.

(2) To permit members and member firms to retain the special commission applicable to securities which had been received under a firm allotment for the bona fide purpose of distribution even though their efforts to distribute such securities are unsuccessful. Under the old plan members and member firms were prohibited from retaining any part of the special commission in connection with purchases for their own account. This modification is designed to supplement and give effect to the provisions of the amendment mentioned under (1) above.

(3) To permit a higher scale of commissions to be paid by the offeror in offerings of stocks having a primary market on this Exchange, and to provide that the special commission may not be less than a regular single nonmember commission based upon the per share rate of 100 shares at the price of the special offering.

(4) To make it permissive rather than mandatory that certain specified factors be taken into consideration by the Exchange, in

determining whether a particular block of securities may be made the subject of a special offering. This will give the Exchange a certain administrative discretion in determining whether to allow its facilities to be used for a special offering. This amendment also reduces from six months to one month the period of time during which price range and volume of transactions in the particular security are considered in making the necessary determination.

[F. R. Doc. 49-9235; Filed, Nov. 16, 1949;
8:45 a. m.]

[File No. 70-2249]

SOUTHERN CO. ET AL.

ORDER GRANTING APPLICATIONS AND PERMITTING DECLARATIONS TO BECOME EFFECTIVE

At a regular session of the Securities and Exchange Commission, held at its office in the city of Washington, D. C., on the 10th day of November A. D. 1949.

In the matter of The Southern Company, Alabama Power Company, Georgia Power Company, Mississippi Power Company; File No. 70-2249.

The Southern Company ("Southern"), a registered holding company, and three of its public utility subsidiaries, Alabama Power Company ("Alabama"), Georgia Power Company ("Georgia") and Mississippi Power Company ("Mississippi"), having filed joint applications-declarations, and amendments thereto, pursuant to sections 6 (a), 7, 9 (a), 10 and 12 (f) of the Public Utility Holding Company Act of 1935, and Rule U-43 and Rule U-50 promulgated thereunder, relating to the following proposed transactions:

Southern proposes to issue and sell 1,500,000 additional shares of its \$5 par value common stock at public sale pursuant to competitive bidding. Southern proposes to use the proceeds of such sale to purchase additional shares of the common stock of Alabama, Georgia and Mississippi in order to assist them in financing their proposed construction programs. It is the intention of Southern to expend, either presently or from time to time prior to the end of 1950, \$5,500,000 for the purchase of additional shares of the common stock of Alabama, \$8,500,000 for the purchase of additional shares of the common stock of Georgia, and \$1,500,000 for the purchase of additional shares of the common stock of Mississippi.

Said applications-declarations having been filed on October 14, 1949, and amendments thereto having been filed on October 20, 1949, and October 28, 1949, and notice of such filing having been duly given in the form and manner prescribed by Rule U-23 promulgated pursuant to the act, and the Commission not having received a request for hearing with respect to said applications-declarations, as amended, within the period specified in said notice, or otherwise, and not having ordered a hearing thereon; and

The applications-declarations having requested that the Commission's order become effective forthwith upon issuance; and

The Commission finding with respect to said applications-declarations that the requirements of the applicable provisions of the act and rules promulgated thereunder are satisfied, that no adverse findings are necessary, and deeming it appropriate in the public interest and in the interest of investors and consumers that said applications-declarations, as amended, be granted and permitted to become effective forthwith:

It is ordered, Pursuant to Rule U-23 and the applicable provisions of said act, that said applications-declarations, as amended, be, and the same hereby are, granted and permitted to become effective forthwith subject to the terms and conditions prescribed in Rule U-24 and subject to the following additional conditions:

(1) That the proposed sale of common stock of Southern shall not be consummated until the results of the competitive bidding pursuant to Rule U-50 shall have been made a matter of record herein and a further order shall have been entered with respect thereto in the light of the record so completed, which order may contain such further terms and conditions as may then be deemed appropriate.

(2) That jurisdiction be reserved with respect to all fees and expenses to be paid in connection with the proposed transactions.

By the Commission.

[SEAL]

ORVAL L. DuBOIS,
Secretary.

[F. R. Doc. 49-9238; Filed, Nov. 16, 1949;
8:46 a. m.]

[File No. 70-2269]

OHIO EDISON CO.

NOTICE OF FILING AND OF HEARING

At a regular session of the Securities and Exchange Commission held at its office in the city of Washington, D. C. on the 10th day of November A. D. 1949.

Notice is hereby given that Ohio Edison Company ("Ohio"), a registered holding company and a public utility company, has filed an application-declaration pursuant to the Public Utility Holding Company Act of 1935 (the "act") and the rules and regulations promulgated thereunder, with respect to, among other things, the proposed acquisition by Ohio of the common stock of Ohio Public Service Company ("Public Service") owned by Public Service's parent, Cities Service Company ("Cities"), a registered holding company, and of so much of such stock of Public Service held by the public as may be tendered to Ohio under an exchange offer, and the proposed issuance of Ohio's common stock and notes in connection with such proposed acquisitions. Applicant-declarant designates sections 6 (a), 7, 9 (a) and 10 of the act as applicable to the proposed transactions.

All interested persons are referred to said application-declaration which is on file in the office of this Commission for a statement of the transactions therein proposed which are summarized as follows:

(1) Ohio and Cities have entered into a contract dated November 10, 1949, providing for the sale by Cities of the 2,000,000 shares of the common stock of Public Service owned by Cities and for the acquisition thereof by Ohio. Both Ohio and Public Service are engaged in the production, transmission, distribution and sale of electric energy within the State of Ohio. According to the filing the territory served by each adjoins the territory of the other for a distance of more than 200 miles and there are at present three interconnections between their transmission lines. This Commission by its order dated November 1, 1949 (Holding Company Act Release No. 9469), granted Cities an exemption from the competitive bidding requirements of Rule U-50 with respect to the sale by Cities of its entire interest in Public Service, which holdings Cities has been ordered to dispose of pursuant to the provisions of section 11 (b) (1) of the act (Holding Company Act Release No. 5028).

(2) Ohio proposes to effect the acquisition of the said shares by arranging with a group of underwriters, through negotiations, for such underwriters to pay Cities \$35,000,000 in cash, and for Ohio to reimburse the underwriters by (a) the issuance and sale through such underwriters of up to but not more than 1,144,000 shares of Ohio common stock (par value \$8 per share) at a price, after deducting underwriting discounts and commissions, of not less than \$29 per share but in no event more than the number of such shares which, when sold by the underwriters, would realize \$35,000,000, after deduction of underwriting discounts and commissions and (b) the payment to the underwriters in cash of the amount by which the total of \$35,000,000 plus the amount of such underwriting discounts and commissions exceeds the aggregate public offering price of the shares.

(3) The shares of Ohio will be offered by the underwriters for sale to the public subject to a prior subscription warrant offering of such shares, for a period of approximately 14 days beginning on or about December 5, 1949, to holders of Ohio's presently outstanding common stock, at the public offering price which, together with the underwriting discounts and commissions, will be determined by negotiations between Ohio and the underwriters.

(4) Ohio also proposes to acquire so many of the remaining shares of Public Service outstanding, namely 1,000,000 shares held by the public, as may be tendered by the holders of such stock during a period of not less than 30 days after the acquisition of the Public Service common stock from Cities, in exchange for shares of Ohio common stock together with such amount of cash as may be necessary to give such holders the equivalent of \$17.50 for each share of Public Service on the basis of an assigned value to the Ohio stock equal to its public offering price. Ohio proposes that it may pay a commission to dealers, at a rate per share to be filed by amendment, for shares delivered to Ohio for exchange through such dealers.

(5) Ohio has requested that this Commission issue an order on or before No-

vember 18, 1949, exempting it from the competitive bidding requirements of Rule U-50 in connection with the issue and exchanges of the common stock "without in any way thereby passing on or approving such proposed issues or any proposed acquisition by the company of common stock of Public Service." It is urged in the filing that such exemption is warranted because of, among other things, the size of the proposed issue of Ohio common stock both in dollar amount and in relation to the quantity of such stock now outstanding, the fact that most of Ohio's outstanding stock was distributed to the public since October 1, 1949, as a part of the reorganization of The Commonwealth & Southern Corporation, and the complexity of the proposed transactions, including the variety of the interests involved.

(6) Ohio requests authority to borrow from a bank or banks on its unsecured note maturing in three years from the date thereof, with interest of not more than 3% per annum, the amount of cash necessary to be delivered to underwriters or to the public holders of the common stock of Public Service as above described.

Ohio has stated that as soon as practicable after the completion of the proposed acquisition from Cities and the making of the offer above described to other holders of common stock of Public Service, Ohio proposes to initiate and use its best efforts to consummate the merger of Public Service into Ohio. Ohio further states that it will file a separate application with respect to the proposed merger.

Notice is further given that any interested person may not later than November 17, 1949 at 5:30 p. m., e. s. t., request the Commission in writing that a hearing be held with respect to Ohio's application for an order granting an exemption from the competitive bidding requirements of Rule U-50, stating the nature of his interest, the reasons for such request, and the issues, if any, of fact or law with respect to such application which he desires to controvert, or may request that he be notified if the Commission should order a hearing thereon. Any such request should be addressed: Secretary, Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. At any time after November 17, 1949, said application for an order granting Ohio an exemption from the competitive bidding requirements of Rule U-50, as filed or as amended, may be granted as provided in Rule U-23 of the rules and regulations promulgated under the act.

It is ordered, That a hearing on the remaining matters covered by the said application-declaration under the applicable provisions of the act and the rules and regulations of the Commission promulgated thereunder be held on November 23, 1949, at 10 a. m., e. s. t., at the office of the Securities and Exchange Commission, 425 Second Street NW., Washington 25, D. C. On such date the hearing room clerk in Room 101 will advise as to the room in which the hearing will be held. Any person desiring to be heard or otherwise wishing to participate in the proceedings shall file with the Secretary

of the Commission on or before November 21, 1949, a request or application relative thereto as provided by Rule XVII of the Commission's rules of practice. In the event that amendments to the application-declaration are filed during the course of the proceedings, no notice of such amendments will be given unless specifically ordered by the Commission. Any person desiring to receive notice of the filing of any amendments should specifically request such notice of Ohio or should file an appearance in these proceedings.

It is further ordered, That Richard Townsend or any other officer or officers of the Commission designated for that purpose shall preside at the hearing on such matters. The officer so designated to preside at such hearing is hereby authorized to exercise all powers granted to the Commission under section 18 (c) of the act and to a hearing officer under the Commission's rule of practice.

The Division of Public Utilities of the Commission having advised the Commission that it has made a preliminary examination of the application-declaration and that, upon the basis thereof, the following matters and questions are presented for consideration by the Commission, without prejudice however to the specification of additional matters or questions upon further examination:

1. Whether the proposed acquisition by Ohio of the common stock of Public Service meets the requirements of the applicable provisions of the act, particularly section 10 thereof.

2. Whether, within the meaning of section 10 (b) (2) of the act, the consideration to be given by Ohio in connection with the proposed acquisition of the common stock of Public Service is not reasonable or does not bear a fair relation to sums invested in or the earning capacity of the utility assets underlying such common stock.

3. Whether the offer proposed to be made to the public holders of the common stock of Public Service is fair and, if not, whether it should be modified.

4. Whether, within the meaning of section 10 (c) (2) of the act, the acquisition by Ohio of the common stock of Public Service will serve the public interest by tending towards the economical and efficient development of an integrated public utility system.

5. Whether the financing of the proposed acquisition of Public Service common stock through the issuance and sale of Ohio common stock, and, if necessary, the issuance and sale of unsecured notes satisfies the standards of section 7 of the act.

6. Whether the proposed accounting entries to be made upon the books of Ohio are appropriate and are in conformity with sound accounting principles.

7. Whether the fees, commissions or other remunerations to be paid in connection with the proposed transactions are reasonable.

8. Whether it is necessary or appropriate to impose terms or conditions with respect to the proposed transactions in the public interest or for the protection of investors or consumers, and, if so,

what terms and conditions should be imposed.

9. Generally, whether the proposed transactions comply with the applicable provisions of the act, and the rules, regulations and orders promulgated thereunder.

It is further ordered, That jurisdiction be reserved to separate, either for hearing, in whole or in part, or for disposition, in whole or in part, any of the issues, questions or matters herein set forth, or which may arise in these proceedings, or to consolidate with these proceedings other filings or matters pertaining to the subject matter of these proceedings, and to take such other action as may appear conducive to an orderly, prompt and economic disposition of the matters involved.

It is further ordered, That a copy of this notice shall be mailed by registered mail to the Federal Power Commission, the Public Utilities Commission of Ohio, the mayors of the cities of Alliance, Elyria, Lorain, Mansfield, Marion, Massillon, Sandusky, Warren, Akron, Barberton, Campbell, Springfield and Youngstown, in the State of Ohio, to Ohio Edison Company, Cities Service Company and Ohio Public Service Company; that notice shall be given to all other persons by general release of this Commission, which shall be distributed to the press and mailed to the mailing list for releases under the act, and that further notice shall be given to all persons by publication of this notice in the **FEDERAL REGISTER**.

By the Commission.

[SEAL] ORVAL L. DuBois,
Secretary.

[F. R. Doc. 49-9239; Filed; Nov. 16, 1949;
8:46 a. m.]

UNITED STATES MARITIME COMMISSION

PACIFIC TRANSPORT LINES, INC., AND PACIFIC
FAR EAST LINE, INC.

NOTICE OF ENLARGEMENT OF PROCEEDING AND
CONSOLIDATION OF HEARINGS

1. By notice in the **FEDERAL REGISTER** of July 27, 1949 (14 F. R. 4701), the Commission announced that a public hearing would be held at San Francisco, California, beginning on October 17, 1949, upon

an application dated June 16, 1949, of Pacific Transport Lines, Inc., under Title VI of the Merchant Marine Act, 1936, as amended, for financial aid in the operation of freight vessels in the foreign commerce of the United States on Service 2 of Trade Route No. 29 (between California ports and the Far East), as described in the Commission's report of Essential Foreign Trade Routes of the American Merchant Marine, issued May 1949. By notice of October 19, 1949, the hearing was postponed to December 5, 1949, to be held before Chief Examiner G. O. Basham, beginning at 10 o'clock a. m., P. s. t., in the U. S. Post Office Building, Seventh and Mission Streets, San Francisco, California. The place of hearing has been changed to Room 360 Mills Tower Building, 220 Bush Street, San Francisco, California, and will begin at 10 o'clock a. m., P. s. t., on December 6, 1949, instead of December 5, 1949, as originally scheduled.

2. On November 8, 1949, the Commission granted the motion of Pacific Transport Lines, Inc., to set for hearing the issues raised in its application under section 805 (a) of the said act at the same time as the issues under section 605 (c) thereof, since the proposed operation includes calls at Guam and involves the transportation of cargo and passengers between Guam and California ports.

3. Notice is hereby given that a public hearing will be held upon application dated October 10, 1949, of Pacific Far East Line, Inc., under Title VI of the Merchant Marine Act, 1936, as amended, for financial aid in the operation of freight vessels in the foreign commerce of the United States on Service 2 of Trade Route No. 29 (between California ports and the Far East), as described in the Commission's report of Essential Foreign Trade Routes of the American Merchant Marine, issued May 1949. The purpose of the hearing is to receive evidence relative to determinations which the Commission is required, after hearing, to make pursuant to sections 605 (c) and 805 (a) of the said act.

Inasmuch as the issues in this proceeding are similar to those in the Pacific Transport Lines, Inc., proceeding, the two proceedings are hereby consolidated for hearing at the same time and place.

4. The consolidated hearing will be conducted pursuant to the Administrative Procedure Act and the Commission's rules of procedure (12 F. R. 6076), and a

recommended decision will be issued by the examiner.

5. All persons (including individuals, corporations, associations, firms, partnerships, and public bodies) desiring to intervene in these proceedings, except parties who have already intervened in the Pacific Transport Lines, Inc., proceeding, should notify the Commission immediately, and should file petitions for intervention in accordance with § 201.81 of the Commission's rules of procedure.

Dated: November 8, 1949.

By order of the United States Maritime Commission.

[SEAL] A. J. WILLIAMS,
Secretary.

[F. R. Doc. 49-9268; Filed, Nov. 16, 1949;
8:52 a. m.]

MOORE-McCORMACK LINES, INC., AND
BULL INSULAR LINE, INC.

NOTICE OF AGREEMENT FILED WITH
COMMISSION FOR APPROVAL

Notice is hereby given that the following described agreement has been filed with the Commission for approval pursuant to section 15 of the Shipping Act, 1916, as amended:

Agreement 7731, between Moore-McCormack Lines, Inc. (American Republic Lines), and Bull Insular Line, Inc., covers transportation of cargo under through bills of lading from Uruguay, Brazil and Argentina to Puerto Rico, with transshipment at New York, Baltimore or Philadelphia. Agreement 7731 was filed to supersede and cancel approved agreement 7666 between the same parties.

Interested parties may inspect this agreement and obtain copies thereof at the Commission's Office of Regulation, Washington, D. C., and may submit to the Commission within 20 days after publication of this notice written statements with reference to the agreement and their position as to approval, disapproval, or modification, together with request for hearing should such hearing be desired.

Dated: November 14, 1949.

By the Commission.

[SEAL] A. J. WILLIAMS,
Secretary.

[F. R. Doc. 49-9269; Filed, Nov. 16, 1949;
8:52 a. m.]